

HURRICANE SANDY: RESPONSE AND RECOVERY PROGRESS AND CHALLENGES

HEARING BEFORE A SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS UNITED STATES SENATE ONE HUNDRED TWELFTH CONGRESS SECOND SESSION

SPECIAL HEARING
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HURRICANE SANDY: RESPONSE AND RECOVERY PROGRESS AND CHALLENGES

WEDNESDAY, DECEMBER 5, 2012

U.S. SENATE,
SUBCOMMITTEE ON HOMELAND SECURITY,
COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Mary L. Landrieu (chairman) presiding.

Present: Senators Landrieu, Lautenberg, Murray, Coats, Cochran, Mikulski, Reed, Lieberman, Schumer, Carper, Cardin, Gillibrand, and Blumenthal.

OPENING STATEMENT OF SENATOR MARY L. LANDRIEU

Senator LANDRIEU. Good morning, everyone. Thank you for joining us for this very important hearing on the response and recovery and the challenges before us to Hurricane Sandy. We're here today to evaluate the response and recovery efforts in the aftermath of Hurricane Sandy, which struck the Northeastern United States on October 29 as the largest sized storm system in U.S. history.

Hurricane Sandy claimed the lives of more than 130 Americans, destroying more than 340,000 homes and more than 200,000 businesses, and leaving more than 8.5 million families without power, heat, or running water for weeks. I understand, in a few neighborhoods and in a few buildings in New York and New Jersey, that still is the case.

The scale of this disaster has created significant housing and transportation challenges and a successful recovery will require a sustained effort at the Federal, State and local level from government, and from private-sector and voluntary organizations.

By and large, the Federal Government's response to Hurricane Sandy has been robust, and it needed to be. The Federal Emergency Management Agency (FEMA) has provided more than 14 million meals, more than 16 million liters of water, more than 1.6 million blankets, and more than 100,000 tarps. The Department of Defense (DOD) has delivered 9.3 million gallons of gasoline to more than 300 gas stations. More than 270 million gallons of salt water were pumped out of transit tunnels. At the peak of the response, 17,000 Federal personnel were involved and more than 11,000 national guardsmen.

This was all necessary because of the devastation I described earlier, but also 490,000 people have registered for temporary housing and other individual assistance.

I want to commend the thousands of first responders, volunteers and neighbors who have worked tirelessly to help those in need and continue to do so as this subcommittee hearing is taking place this morning.

The President and numerous administration officials have been on the ground to survey the damage, meeting with State and local leaders and neighborhood organizers. The Federal Government has provided more than \$2.4 billion in relief to date through FEMA, the Small Business Administration (SBA), the Department of Agriculture (USDA), the Department of Transportation (DOT), the Department of Health and Human Services (HHS), and other agencies. Nine States have been declared disaster areas as a result of Hurricane Sandy and their citizens will require significant resources.

That is why I have called upon Congress to enact supplemental disaster legislation before the 112th Congress adjourns in January. Congress should not allow itself to get tied up in knots engaging in a political debate over offsets. This is not the time. Congress did not require them after 9/11 and we did not do so after Hurricanes Katrina and Rita or other catastrophic destruction.

In responding to this disaster and disasters such as Hurricane Sandy, Congress should focus on helping those in need and rebuilding communities as quickly as possible. It's absolutely critical that the administration come forward with a detailed request. I understand that just within the last 15 minutes there have been some reports of that request, its size and its contours. We will discuss that in just a moment.

I know that many of my colleagues who are present here today agree with the urgent need to advance the supplemental. I look forward to hearing your suggestions regarding the specifics of the programs and authorities that can be utilized to best meet the needs of your constituents.

I sent two letters to the President last week related to mitigation and recovery efforts associated with Hurricane Sandy and other ongoing disasters in this Nation, and there are quite a few that are still open. A copy of each letter will be included in the official record of this hearing [see pages 5–9].

The first included a list of recovery tools that the gulf coast leaders found effective in the aftermath of Hurricanes Katrina and Rita. I really appreciate Senator Cochran's help and support in that effort, as we had to design some new tools to respond to Hurricanes Katrina and Rita. We'd like to make some of those available to the Northeast.

Many of our existing laws simply do not meet the needs of communities impacted by catastrophic disasters. The Stafford Act, various ad hoc Community Development Block Grant (CDBG) authorities, and other Federal agency program restrictions present needless bureaucratic hurdles to disaster victims in their time of need. We learned this lesson painfully after Hurricanes Katrina and Rita. Unfortunately, the legislative solutions that we fought for were enacted in a form that limited their application to previous disasters. We should not repeat history.

Senator Lieberman is here with us. Senator Collins is not, but in spirit. Both have worked vigorously on this and I want to thank them for their leadership.

We need to continue to work together to finalize a consensus package of reforms. A few elements would include: more flexible disaster recovery grants versus regular CDBGs. They are very different needs when a community is developing normally and when a community is trying to do a rapid recovery after a catastrophic disaster, and our help should recognize that.

Streamlining FEMA public assistance by advanced funding on the basis of reliable estimates for damage to facilities can really help a community move forward more quickly.

Eliminating the arbitrary penalty on alternative projects is also something I suggested.

Authorizing global settlements for facilities that serve the same function, i.e., all police stations, all fire stations, all libraries, all schools, instead of one at a time, would make a tremendous difference.

And establishing an independent arbitration procedure so when the local governments are disagreeing with the Federal Government about what is owed and that argument goes on and on, it won't go on indefinitely. There will be a rational end and a good decision made.

Also, allowing families to use FEMA individual assistance for disaster-related child care expenses. We've found it's impossible for parents to get back to work without a place for their children to be in day care. It's as simple as that.

Cost-effective repair of rental units, adjusting the \$5 million cap on community disaster loans are additional issues that need attention. I'm not sure what \$5 million would mean to the city of New York or cities of any such size; \$5 million is not much to offer in this time.

So those are just a few suggestions. I'm looking forward to others.

My second letter to the President called for a minimum of 5 percent in supplemental disaster funding to go toward the U.S. Army Corps of Engineers' (USACE's) mitigation projects. That will buy down taxpayer exposure to future flood risk. Our Government continues to dangerously underinvest in flood protection infrastructure, and U.S. communities and taxpayers are incurring exorbitant disaster assistance costs as a result of this practice, which has become a practice, a dangerous one.

The National Institute of Building Sciences issued a congressionally chartered report that determined taxpayers save \$4 for every \$1 invested in smart mitigation measures. Yet the USACE's new construction budget for the entire Nation this year is only \$1.6 billion, despite a backlog of \$40 billion worth of projects.

Hurricane Irene tore through the same region of the country last year and as winter sets in the Northeast faces continued threats from nor'easters and additional extreme weather events. This reflects a trend of more frequent and costly disasters in this country. Last year alone, 48 States experienced Presidentially Declared Disasters, 14 of which exceeded \$1 billion in damage, the most in recorded history. Rising sea levels, more active hurricane seasons, in-

creased development along our Nation's coasts clearly reveal that Hurricanes Irene and Sandy were not one-off anomalous events, but rather part, unfortunately, of a continuing and troubling trend.

We cannot retreat. Instead, we must embrace the notion that we can minimize disaster risks through preparedness and mitigation efforts as long as they're backed by financial resources and political will. Just like our Nation cannot abandon the strategic Mississippi River Delta, which transports more tonnage than any port system in the Western Hemisphere and produces one-fourth of the country's energy supply, we refuse to abandon the world's most important financial and commercial center.

Instead, we must improve the resiliency of our communities' environment and essential services and vulnerable populations with smart planning and well-designed recovery and rebuilding tools. We have the ability to reduce the consequences of severe weather by mitigating flood risks through smarter land use guidelines, building codes, and flood protection improvements.

The State of New York has requested \$9 billion for mitigation measures from the administration. The State of New Jersey is seeking another \$7 billion for the same purpose. I commend Governor Cuomo and Governor Christie for including strategic mitigation needs in their funding requests. Both of these leaders have demonstrated incredible compassion and concern for the people whom they represent and have been highly effective in their leadership since the disaster began. And I may also include Mayor Bloomberg, Mayor Cory Booker, and many other local officials that stepped up and did the job they were elected to do.

I look forward to hearing from our witnesses today, my colleagues, who I have the deepest respect for and have been engaged in many conversations with, as I am all too familiar with what they are going through right now. I'm looking forward to their suggestions.

So our first panel includes Senators from the affected areas. In the interest of time and due to the number of participants, I've asked each one to limit their statement to 4 minutes, but their entire written testimony will be included in the record. We will take any documents or papers that they want to submit to help us build the most robust response that we can.

Before I introduce the panel, I want to recognize, of course, my ranking member, Senator Coats. I want to then turn to Senator Cochran, vice chair of the overall Committee, and then recognize Senator Barbara Mikulski, a longstanding member of this Committee, and we're happy to have her back on the dais this morning; and then Senator Lautenberg whenever he shows up will also be recognized.

REFERENCED MATERIALS AND PREPARED STATEMENTS

Senator Coats, thank you for your help and leadership.

Senator Rockefeller submitted a statement to be entered into the record.

[The referenced letters to the President and the statements of Senator Landrieu and Senator Rockefeller follow:]

LETTERS SUBMITTED TO PRESIDENT BARACK OBAMA BY SENATOR MARY L. LANDRIEU

MARY L. LANDRIEU
LOUISIANA

United States Senate

WASHINGTON, DC 20510-1804

November 28, 2012

The Honorable Barack Obama
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear Mr. President:

Hurricane Sandy made landfall in the northeastern United States on October 29th as the largest storm system in the country's history and wrought widespread devastation upon the region. Millions of families lost power, heat, and running water, the storm destroyed over 300,000 homes and 200,000 businesses, and more than 100 people were killed. Damage estimates for the disaster exceed \$70 billion, and significant housing and transportation challenges remain.

You have declared a Presidential disaster in nine states thus far, spent considerable time visiting the affected area along with officials from your administration, and directed nearly \$2 billion in federal assistance to the region already. I am grateful for your effective leadership of our government's response to this catastrophic event. It is a marked improvement from the federal response to Hurricanes Katrina and Rita in 2005. I also appreciate your sustained support for the Gulf Coast's ongoing recovery efforts from Hurricanes Katrina, Rita, Gustav, and Ike, the Deepwater Horizon oil spill, the Mississippi River floods, Tropical Storm Lee, and Hurricane Isaac. In the aftermath of so many disasters, I have encountered numerous federal rules that obstruct recovery.

I understand that your administration plans to submit a request to the Congress for supplemental appropriations as a result of Hurricane Sandy. I support that initiative, and I have been a strong and vocal proponent of the need to enact supplemental disaster assistance legislation before the 112th Congress adjourns. Money is extremely important to recovery efforts, but so are sharper tools that promote smarter rebuilding and benefit survivors and taxpayers alike. With that in mind, I would like to share several examples of recovery tools that Gulf Coast leaders found useful in the aftermath of Katrina and Rita, which you might also consider for Hurricane Sandy.

First, we need to modify HUD's Community Development Block Grant program (CDBG) to serve as a Disaster Recovery Block Grant program (DRBG) instead, and provide flexible funding to affected states and communities for housing, infrastructure, economic development, community planning, and other unmet needs. It is important that funding be allocated to states and within states on the basis of damage, that funds may be used to fulfill federal matching requirements under other programs, that environmental reviews be expedited and not duplicated by multiple agencies for the same project, and that grantees have maximum flexibility to allocate funding for restoration and economic needs. Furthermore, we must allow

communities to use these funds to tackle problems that other agencies have statutory authority but no funding to address. There is no duplication of benefits or effort when other agencies are financially unable to assist, and it is important for federal officials to acknowledge that fact.

Second, we must streamline FEMA's Public Assistance program by providing grants for permanent work on the basis of estimates to jumpstart rebuilding, authorizing global settlements for groups of facilities that serve the same function to support holistic planning, eliminating the penalty on flexible reconstruction and alternate projects to improve resilience, and establishing arbitration procedures to resolve prolonged disputes over project eligibility and cost.

Third, we must eliminate the \$5 million cap on Community Disaster Loans. FEMA provides Community Disaster Loans under the Stafford Act to local governments that demonstrate a need for funding to sustain post-disaster operations, including trash pickup, fire and police protection, permitting, zoning, and other municipal functions. The \$5 million limit renders this program essentially useless to cities the size of New York or Newark that are struggling with increased operating costs and declining government revenues.

Fourth, FEMA's Public Assistance program should support temporary child care services in communities that have lost the capacity to provide them. Families should also be allowed to use FEMA Individual Assistance funds for disaster-related child care expenses so they provide for their children's needs by keeping them safe and focus on returning to work and rebuilding their homes.

And fifth, we should re-authorize the FEMA pilot program that expired in 2009 and allowed the agency to repair rental units and house disaster survivors when other options are not available or cost-effective. New York City has a shortage of vacant apartment units, and there are not enough private driveways or open spaces to accommodate traditional temporary housing solutions like mobile homes.

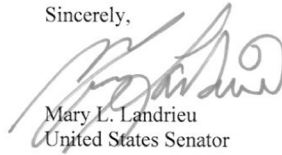
Unfortunately, many of these tools were created by legislation that limited their availability to the 2005 hurricanes. As a result, new legislation may be required to implement some of these reforms. There are many other good ideas circulating to improve federal recovery programs, and I would encourage you to seek additional input from leaders in the affected region. I would also encourage officials throughout your administration to be as creative and flexible as possible, and to implement their own policy improvements that promote recovery objectives and make government work for the thousands of people depending on it right now. Many of these ideas have been vetted by the White House Long-Term Disaster Recovery Working Group that was established during your first year in office, but which unfortunately failed to release any public recommendations or reform proposals.

Finally, I believe we should dedicate at least 5 percent of supplemental disaster funding to strategically selected, cost-effective infrastructure improvements that will prevent future catastrophes and mitigate taxpayers' exposure. That includes cutting-edge engineering solutions to prevent widespread flooding, transportation shutdowns, and watershed collapse. Our nation's gross underinvestment in flood protection is causing recurring and exorbitant cleanup and reconstruction costs. We have the engineering solutions to reverse this trend, but we need

focused political leadership and responsible budgetary resources at all levels of government in order to prevail.

Thank you for your continued leadership. I look forward to working with your administration to provide relief to our fellow citizens in need and to rebuild safer, stronger communities throughout the northeastern United States.

Sincerely,

A handwritten signature in dark ink, appearing to read "Mary L. Landrieu", is positioned above the printed name and title.

Mary L. Landrieu
United States Senator

Cc: Secretary Donovan, Department of Housing and Urban Development
Secretary Napolitano, Department of Homeland Security
Administrator Fugate, Federal Emergency Management Agency

MARY L. LANDRIEU
LOUISIANA

United States Senate
WASHINGTON, DC 20510-1804

November 30, 2012

The Honorable Barack Obama
The White House
1600 Pennsylvania Avenue
Washington, DC 20500

Dear Mr. President:

Thank you again for your leadership throughout the preparation and response to Hurricane Isaac, and more recently, Hurricane Sandy. I appreciate your commitment and willingness to convene a high level meeting in Washington with the U.S. Army Corps of Engineers and FEMA to work toward a more proactive approach to storm mitigation and flood protection. Since your visit to St. John Parish on September 3rd, the development of Hurricane Sandy has understandably delayed this long-term planning meeting, but it has also underscored its importance. I will work with your staff to schedule this meeting as soon as possible in 2013, but in the interim, I would like to direct your attention to the following suggestions to advance necessary flood protection infrastructure projects.

As I have mentioned in previous letters, the U.S. Army Corps of Engineers budget is dangerously insufficient. With a \$40 billion construction backlog and an annual construction budget of \$1.7 billion, it would take almost 25 years to complete currently authorized projects. Congress has not authorized new projects since 2007, and to date, there are already 18 additional projects with completed Chief's reports, totaling billions of dollars, awaiting authorization. Since Hurricane Katrina, the annual construction budget has been inexplicably reduced as a percentage of GDP every fiscal year. At these rates, the country will face an indefinite flood protection infrastructure deficit that puts lives, property, and businesses at great risk.

As a step toward addressing this problem, I strongly suggest that the Administration and Congress return the Corps budget to FY 2010 levels for FY 2014 and increase it by a minimum of 5 percent each fiscal year for the following 5 years. This will raise the Corps construction budget back above \$2 billion per year and start moving us in the right direction. As I mentioned in a previous letter specifically regarding the possibility of a supplemental appropriations bill, I also suggest that at least 5 percent of supplemental disaster funding be dedicated to infrastructure improvements, particularly flood protection, that will prevent future catastrophes and mitigate taxpayers' exposure.

The National Institute of Building Sciences conducted a congressionally mandated study, "Hazard Mitigation Saves: An Independent Study to Assess the Future Savings from Mitigation Activities." This study documented that every \$1 spent on FEMA hazard mitigation saves society an average of \$4. I believe that a similar study comparing flood protection infrastructure investments to federal storm response costs would show equal or greater savings. I have asked the Government Accountability Office to conduct such a study and would appreciate your support of this effort.

Again, thank you for your commitment to disaster preparedness and response. I look forward to continued work with you and your Administration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mary L. Landrieu". The signature is fluid and cursive, with the first name "Mary" being the most prominent part.

Mary L. Landrieu
United States Senator

Cc: Assistant Secretary Jo-Ellen Darcy, U.S. Army Corps of Engineers

PREPARED STATEMENT OF SENATOR MARY L. LANDRIEU

We are here today to evaluate response and recovery efforts in the aftermath of Hurricane Sandy, which struck the northeastern United States on October 29 as the largest sized storm system in United States history. Hurricane Sandy claimed the lives of more than 130 Americans, destroying over 340,000 homes and 200,000 businesses, and leaving more than 8.5 million families without power, heat, or running water. The scale of this disaster has created significant housing and transportation challenges, and successful recovery will require sustained effort at the Federal, State and local level, from government, private businesses, and voluntary organizations.

By in large, the Federal Government's response to Hurricane Sandy has been robust. Over 490,000 people have registered for temporary housing and other individual assistance, FEMA has provided over 14 million meals, over 16 million liters of water, over 1.6 million blankets and over 100,000 tarps. DOD delivered over 9.3 million gallons of gasoline to 300 gas stations. Over 270 million gallons of salt water were pumped out of transit tunnels. At the peak of the response, 17,000 Federal personnel were involved and over 11,000 national guardsmen. I commend the thousands of first responders, volunteers, and neighbors who have worked tirelessly to help those in need.

The President and numerous administration officials have been on the ground surveying the damage and meeting with State and local leaders. The Federal Government has provided over \$2.4 billion in relief through FEMA, SBA, the Department of Agriculture, the Department of Transportation, the Department of Health and Human Services, and other agencies.

Nine States have been declared disaster areas as a result of Hurricane Sandy, and their citizens will require significant Federal resources to recover. That is why I have called upon Congress to enact supplemental disaster assistance legislation before the 112th Congress adjourns in January. Congress should not allow itself to get tied up in knots by engaging in a political debate over offsets. Congress did not require offsets after 9/11 and we did not do so after Hurricanes Katrina and Rita. In responding to a catastrophic disaster such as Hurricane Sandy, Congress should focus on helping those in need and rebuilding communities, not on politics.

It is absolutely critical that the administration come forward with its detailed requests this week so that Congress can evaluate those requests and act promptly.

I know that many of my colleagues who are present here today agree with the urgent need to advance a supplemental, and I look forward to hearing their suggestions for specific programs and authorities that can be utilized to address unmet recovery needs.

I sent two letters to the President in the past week related to mitigation and recovery efforts associated with Hurricane Sandy and other disasters in this Nation. A copy of each letter will be included in the official record for this hearing. The first included a list of recovery tools that gulf coast leaders found effective in the aftermath of Hurricanes Katrina and Rita, and which will be valuable to communities in the northeast as they work to recover from Sandy's effects. Many of our existing laws simply do not meet the needs of the communities impacted by catastrophic disasters. The Stafford Act, various ad hoc Community Development Block Grant authorities, and other laws present needless bureaucratic hurdles to disaster victims in their time of need. We learned that lesson painfully after Hurricanes Katrina and Rita. Unfortunately, the legislative solutions that I fought for were enacted in a form that limited the solutions to just those disasters. We should not repeat history.

I have spoken with Senator Lieberman and Senator Collins about the need to enact a handful of key reforms that will accelerate the speed and efficiency of recovery efforts in the northeast. We need to work together to finalize a consensus package of reforms. A few elements of the policy proposals include:

- Flexible Disaster Recovery Grants for HUD to address housing, infrastructure, economic revitalization, community planning, and other unmet needs.
- Streamlining FEMA Public Assistance by:
 - Advancing funding on the basis of reliable estimates for damaged facilities and infrastructure;
 - Eliminating the arbitrary penalty on alternate projects so communities can rebuild flexibly and strategically as opposed to restoring every facility to its pre-disaster condition in the exact same location;
 - Authorizing global settlements for facilities that serve the same function, so communities can restore schools, medical clinics, police and fire stations, and water treatment facilities in a comprehensive and strategic manner;
 - Establishing arbitration procedures to resolve disputes over project eligibility and cost that may otherwise drag on for years;

- Allowing families to use FEMA Individual Assistance funds for disaster-related child care expenses;
- Cost-effective temporary housing alternatives, like repairing rental units, that may address housing needs more quickly and cheaply than mobile homes and other traditional solutions; and
- Adjusting the \$5 million cap on FEMA's Community Disaster Loans, which renders this program essentially useless to major cities facing reduced tax revenues and increased operating costs in the aftermath of the hurricane.

My second letter to the President called for at least 5 percent of supplemental disaster funding to go toward Corps of Engineers construction projects that will buy down taxpayers' exposure to future flood risks. Our Government continually underinvests in flood protection infrastructure, and U.S. communities and taxpayers incur exorbitant disaster assistance costs as a result. The National Institute of Building Sciences issued a congressionally chartered report that determined taxpayers save \$4 for every \$1 invested in mitigation measures. And yet the Corps of Engineers' new construction budget for the entire Nation is only \$1.6 billion, despite a project backlog of more than \$40 billion.

Hurricane Irene tore across the same region of the country last year, and as winter sets in, the northeast faces continued threats from nor'easters and additional extreme weather events. This reflects a trend of more frequent and costlier disasters in this country. Last year alone, 48 States experienced a Presidentially Declared Disaster, 14 of which exceeded \$1 billion in damage, the most in recorded history. Rising sea levels, more active hurricane seasons, and increased development along our Nation's coasts clearly reveal that Hurricane Irene and Hurricane Sandy were not one-off, anomalous events, but rather part of a continuing trend.

We cannot retreat. Instead, we must embrace the notion that we can minimize disaster risks through preparedness and mitigation efforts, as long as they're backed by financial resources and political will. Just as our Nation cannot abandon the strategic Mississippi River Delta, which transports more tonnage than any port system in the western hemisphere, and produces one-fourth of the country's energy supply, we refuse to abandon the world's most important financial and commercial center. Instead, we must improve the resiliency of our communities, environment, essential services, and vulnerable populations.

We have the ability to reduce the consequences of severe weather by mitigating flood risk through smarter land use guidelines, building codes and design, and flood protection improvements. The State of New York has requested \$9 billion for mitigation measures from the administration, and the State of New Jersey is seeking another \$7 billion for the same purpose. I commend Governor Cuomo and Governor Christie for including strategic mitigation needs in their funding requests. Both of these gentlemen have demonstrated incredible compassion and concern for the people whom they represent and highly effective leadership since this disaster began.

I look forward to hearing from the witnesses here today about Hurricane Sandy's impacts, successes and failures during the response phase, and the nature and extent of recovery challenges before us.

Our first panel includes Senators from the affected States, who will discuss the hurricane's impact upon their constituents and their assessment of response and recovery efforts. Our second panel includes, Shaun Donovan, Secretary of Housing and Urban Development, who the President has designated to coordinate long-term recovery, and Craig Fugate, Administrator of the Federal Emergency Management Agency.

In the interest of time and due to the number of participants, the subcommittee requests that witnesses limit their statements to 4 minutes or less. Written testimony will be included in its entirety in the hearing record. There will not be a question round after the first panel, however, each subcommittee member will have 5 minutes to ask questions of our administration witnesses following the second panel's testimony. I would now like to turn to my ranking member, Senator Coats, and then my vice chair, Senator Lautenberg, for any opening remarks they may wish to make before introducing our first panel.

PREPARED STATEMENT OF SENATOR JOHN D. ROCKEFELLER IV

Chairman Landrieu and Ranking Member Coats, thank you for holding this extremely important hearing and for allowing me to submit this statement for the record. The devastating power of Hurricane Sandy impacted of millions of people throughout the eastern United States, destroying homes, businesses, transportation systems, and taking the lives of a number of Americans.

While the Nation's attention was understandably focused on New York and New Jersey, far from the glare of the national spotlight, West Virginia was buried in an avalanche of heavy, wet snow. Roofs of homes and businesses collapsed. Roads were impassable. More than 200,000 people lost electricity and were left huddling in the dark and the cold. And most tragically, six West Virginians lost their lives.

More than a month later, the effects of the storm are still evident; trees along rural highways in our eastern mountains look like snapped toothpicks. In some spots, these narrow country roads are still hard to cross, with broken limbs just feet away from the roadway.

As always, West Virginians came together and took care of one another. This amazing sense of community and selflessness is deeply ingrained in our State's people, and is often evident at the most trying times. Natural disasters are such times, and unfortunately, West Virginians are no strangers to the destruction that natural disasters can cause.

Only months before the freezing conditions brought by Hurricane Sandy, West Virginia was hit by a massive "Derecho" storm that ripped through the State, causing extensive damage in 53 of our 55 counties and leaving hundreds of thousands without power—this time in the sweltering heat. And we shouldn't forget that, back in March, we had terrible flooding in North Central West Virginia and a high-wind disaster in southern West Virginia.

Indeed, in 2012 alone, West Virginia suffered multiple severe natural disasters including flooding, tornadoes, straight line winds, landslides, and Hurricane Sandy. As a result, the President issued more major disaster declarations and emergency declarations in West Virginia than in any other State in the Nation. These disasters caused incalculable financial, emotional, and physical harm to individuals and businesses throughout the State, but especially impacted the southern coalfields and other mountainous areas where the natural landscape leaves the residents vulnerable to flooding, snow storms, and other disasters.

Among the counties hardest hit by these storms are those that rely heavily on employment in the coal industry. The southern part of the State—with more than 14,000 coal miners alone—accounts for 19 percent of the Nation's coal mining employment, and the State as a whole has more miners than any other State. As these communities continue to rebuild, any disaster relief package established by Congress should seek to prevent additional harm from occurring.

This is why I so greatly appreciate the importance of this hearing—because West Virginians know what is at stake when we talk about the need to better develop and refine our Nation's responses to these disasters. That is one of the reasons I authored legislation to build a nationwide wireless network designed to help first responders communicate during emergencies. We have come a long way in our disaster relief capabilities, but there is much more that needs to be done.

West Virginians remain tough and resilient as always, and many have started to rebuild, but this year in particular our State has dealt with outsized hardship from so many natural disasters, and resources are overwhelmed. West Virginians need support, as do so many others, which is why the administration and Congress must make sure that a disaster relief package fully takes into account every impacted State's unique recovery needs. At my urging, the State of West Virginia will be submitting its disaster recovery funding needs to the Office of Management and Budget shortly. While it may not be the magnitude of the needs from other impacted States, I want the administration to take into account the full spectrum of Hurricane Sandy and other disaster recovery needs—big and small—as it formulates an emergency supplemental package.

Supplemental recovery funding is critical, and I hope that it will transcend the politics that have too often left this institution gridlocked. Natural disasters can happen anywhere, in any State, and when they do, we must respond like West Virginians and communities across America and come together to find solutions.

STATEMENT OF SENATOR DANIEL COATS

Senator COATS. Madam Chairman, thank you. I'll be brief because we want to hear from our colleagues and I know they have busy schedules.

First of all, let me just say that all of us here on the panel express our sympathy to you and your constituents, the loss of life, those injured, those homeless, those suffering from this historic storm. Earlier this year, we had an incident in Indiana, a devastating tornado, but it doesn't begin to compare with the depth

and the scope of what our Government now has to deal with relative to the impact of this particular storm. So we understand a little bit of what you're going through. I know the chairman also has experienced storms—something of this magnitude.

While many of us are grateful for the response of FEMA, we must continue our efforts to try to determine how we mitigate damage for the future. Given our current budget situation, there just simply isn't enough money to go around to fund all the essential functions of the Federal Government. So we need to be smart in terms of how we apply current aid, but also I think learn lessons from these situations so that we can take appropriate mitigation procedures for the future.

I noticed yesterday in the New York Times there was an interesting article looking at one particular city in Senator Schumer's State, Long Beach. My daughter actually lived there right after college, just married, working on a graduate program at St. John's, and her husband working was in Queens. The home they had is no longer there.

These coastal towns, we need to find ways to protect them—with potential rising sea levels, more serious storms hitting our continent, we need to look at ways to mitigate these risks. We don't want to be back here 2 or 3 years from now saying we've got to do this all over again.

So I look forward to hearing from our members in that regard, but also Administrator Fugate and Secretary Donovan.

Let me just say that the issue of how we go forward and how we balance all this out with the benefit-cost analysis and the caps and so forth is something that we really are going to have to work through. I know the chairman has suggested some options here. A lot of this is all caught up in the negotiations going on, the sequester, and the impact of the fiscal cliff. I'm anxious to hear from the second panel as to, if this sequester is applied, what it does in terms of their ability to provide the necessary support.

So with that, Madam Chairman, I'll just try to move us forward here by stopping talking.

Senator LANDRIEU. Thank you, Senator, for that opening statement.

Senator Cochran.

STATEMENT OF SENATOR THAD COCHRAN

Senator COCHRAN. Madam Chair, thank you. I'm pleased to join you and Senator Coats to welcome this distinguished panel of witnesses and the Senators from the areas that have been affected by these very serious events who are here to tell us what we need to know about the practical consequences of these storms. I also look forward to hearing from FEMA Administrator Craig Fugate and Housing and Urban Development (HUD) Secretary Shaun Donovan to better understand the challenges related to recovering from Hurricane Sandy. Mississippians understand all too well the important roles that FEMA and HUD play in aiding with disaster recovery. As you know, my State of Mississippi has experienced more than its fair share of disasters over the past decade, most notably Hurricane Katrina in 2005. I know the citizens of my State have kept those affected by Hurricane Sandy in their thoughts and prayers.

We will forever be grateful to people from all across America who helped us rebuild and recover after Hurricane Katrina, and I know Mississippians have been actively involved in providing support to the States affected by Hurricane Sandy.

I am pleased to work with you, Madam Chairman, the other members of this subcommittee, and the Senators here before us today to examine the response that has been achieved thus far and to assess what actions are still necessary. I anticipate that any upcoming request for supplemental appropriations from the President will inform this subcommittee's judgment about the funding that may be necessary for recovery. We are eager to hear from all of the witnesses before us and I join you in welcoming all of them today.

Thank you.

PREPARED STATEMENT OF SENATOR THAD COCHRAN

Madam Chair, thank you. I'm pleased to join you and Senator Coats to welcome this distinguished panel of witnesses and the Senators from the areas that have been affected by these very serious events who are here to tell us what we need to know about the practical consequences of these storms. I also look forward to hearing from FEMA Administrator Craig Fugate and Housing and Urban Development Secretary Shaun Donovan to better understand the challenges related to recovering from Hurricane Sandy. Mississippians understand all too well the important roles that FEMA and HUD play in aiding with disaster recovery. As you know, my State of Mississippi has experienced more than its fair share of disasters over the past decade, most notably Hurricane Katrina in 2005. I know the citizens of my State have kept those affected by Hurricane Sandy in their thoughts and prayers. We will forever be grateful to people from all across America who helped us rebuild and recover after Hurricane Katrina, and I know Mississippians have been actively involved in providing support to the States affected by Hurricane Sandy.

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Senator LANDRIEU. Thank you.

Senator Mikulski.

STATEMENT OF SENATOR BARBARA A. MIKULSKI

Senator MIKULSKI. Madam Chairman, I can't thank you and the ranking member, Senator Coats, for having this hearing. I think at this time as we go into the holiday season of Hanukkah and Christmas and the season of light, there isn't a lot of light in a lot of our communities. But we coastal Senators and those who'd like to be coastal Senators, have a coastal area, really, really appreciate this.

Madam Chair, it's a sad day in Maryland, and Senator Cardin will be speaking, but we're here also to speak for the efforts of Governor O'Malley and the people of Maryland. We've got one really sad day today. Maryland woke up in the lower shore to this headline: "U.S. Denies Aid to Maryland Storm Victims." This is the picture of the face of Maryland during the storm. I won't show you the picture of the face of the lower shore this morning.

You've been down on the shore. You are a frequent and most welcome visitor. You know that shore. You know the people. You know how hardworking they are. You know how patriotic they are and you know the demographics. When you talk about rural people whose incomes depend on either commercial fishing or on agri-

culture, they are rich in pride, patriotism, and individualism, but they're often very cash-poor, and that's what's happened to us.

We in Maryland have some of the most prosperous counties in America, but we also have some of the most poor, and that's who got hit by this storm. Somerset County is a little county surrounded by three sides of water: the Chesapeake Bay, a creek, and also the Atlantic Ocean. People love to come down from National Geographic to take pictures about how quaint and lovely and charming we are. They want to hear the songs. Well, right now we're singing the blues and we're singing them loud and we're singing them clear and we're singing them here.

INVEST IN MITIGATION

So we have all kinds of criteria. We love criteria, but I will tell you, the Eastern Shore doesn't like regulations and what they're worried about is that the very country that they serve, the very taxes that they pay, the very country where they send their sons and daughters to fight—they're the 2 percent, not the top 2 percent; they're the 2 percent that go to war and fight for America. Now they want Cardin and Mikulski to fight for them and they want this country to take a look at their rules and regulations and to see how we can get them help over this very troubled time.

So, Madam Chair, I'll go into the data and statistics when Mr. Fugate comes. The President said he would cut through red tape. We want him to do it and we want to work with you to do a supplemental that would also include Maryland.

Madam Chair, I thank you and the rest of the panel.

Senator LANDRIEU. Thank you, Senator Mikulski, for your passionate and effective advocacy on behalf of the people of Maryland.

Senator Cardin, if you want to join the panel you're welcome to. We'll pull up a chair for you.

We're going to go in seniority order, which is the custom of the Senate. I think the most senior member would be the senior Senator from New York, Senator Schumer—Senator Lieberman. I'm sorry, Senator Lieberman.

STATEMENT OF SENATOR JOSEPH I. LIEBERMAN

Senator LIEBERMAN. Well, I may be more senior, but he's so much more powerful.

You sure you don't want to go first?

Senator LANDRIEU. Senator Lieberman. Excuse me.

Senator LIEBERMAN. I appreciate it. Thanks, Chairman Landrieu and Ranking Member Coats, for holding this hearing and giving those of us who represent States and people hard-hit by Hurricane Sandy a chance to describe our States' needs in the supplemental appropriations bill considered now by this subcommittee to enable us to recover.

I want to say, Chairman Landrieu, that honestly I can't think of a better person to lead this effort than you. Obviously, you have been schooled, unfortunately, in the pain of being hit by Hurricane Katrina. But beyond that and that understanding and empathy you bring, you've really become the leader in the Senate in the whole area of disaster recovery and mitigation, and I appreciate that very much and am very glad that you're in the position you are.

Hurricane Sandy, talking about Hurricane Katrina, by the estimates I've seen is the second costliest storm in American history. It was that serious, and it calls on us again to come together as we have after every other natural disaster in the country, wherever it was, to help our neighbors in the best American values sense, just to pick up what Senator Mikulski said. I'm confident under the leadership of this subcommittee we will do that, and we will do it, as you said, without requiring offsets, which has been the norm in past times.

It's obvious that the people of New York and New Jersey suffered more than the people of Connecticut from Hurricane Sandy. I know you'll hear about that from their representatives. But I'd say two things. One is we did suffer in Connecticut.

This second is we are part of a critically important economic region, critically important for the country certainly in terms of the fiscal strength of the country, but much more. Part of what you hope you'll keep in mind is how to help us revitalize this center of economic strength which really benefits the entire country.

Going to Connecticut, we suffered an estimated \$600 million in damage as well. It's evidenced by the photos up here. But what's maybe most interesting is the photo on the left, which is a house in Danbury. Now, most of you assume that the damage occurred on the coast. Danbury's up in the northwest part of the State, quite far from the water. But there was tremendous—there were tremendous winds during Hurricane Sandy and it knocked down a tree, which devastated this house. It also knocked out a lot of power in these areas.

The other photos to the right there is Fairfield by the beach. Water came way in, as you can see. Bottom left, you've got a house in Fairfield literally floating down a flooded creek. And then to the right, in Bridgeport, just a street devastated by water damage.

All of this for us is cumulative, which is to say that it's on top of the destruction caused by two other events in the last year, Hurricane Irene in August 2011 and then by Winter Storm Alfred in October 2011. The total cost of damage from these three storms over the last year is almost \$2 billion, which is a very significant amount for a small State like ours, which incidentally has its own budget shortfall right now.

Madam Chairman, as you referenced, we seem to be entering an age of increasingly violent storms, so that I think we've really got to think carefully about whether and how to rebuild in locations we know are vulnerable and likely to be hit again. That means that as we go forward we've got to have some vision and think about how we replace critical infrastructure.

For instance, during each of the three storms in Connecticut in the past year we've been most seriously impacted in many ways by long-term power outages as a result of our aging electrical distribution system. Therefore, I hope we're going to use this opportunity to put some power lines underground, install microgrids to allow critical infrastructure to retain power no matter the weather event, and move major substations away from the shore, where most of them are.

Other mitigation projects that would protect Connecticut from the worst impacts of severe storms include flood protection, road

improvements, new or strengthened seawalls, and sewage treatment plant hardening or relocation. The estimated cost for these and similar projects that will enhance the natural disaster defenses of Connecticut's cities, towns, and infrastructure are estimated now by our Governor's office, Governor Dan Malloy, at \$3.2 billion.

The failure to adequately fund mitigation and resilient efforts I think will only lead to greater Federal spending in the future as extreme weather events, including climate change, continues to increase sea levels, warm oceans, and lead to more devastating storms, thus more damage.

Finally, very briefly, I want to urge that the supplemental be written in a way to include Connecticut in all funding sources. This has not always been the case. Even though the State was severely impacted last year with Tropical Storm Irene, the executive branch chose to deny us the opportunity to at least apply for some proportionate share of that funding, particularly under the CDBG grant program. We ask that you write this in a way that at least allows impacted States to have eligibility to apply.

Given that at this early stage of recovery more people in Connecticut have registered for FEMA assistance than either of the previous storms, it would really be unfair to leave Connecticut out of eligibility altogether.

So I thank my colleagues very much. I thank Senator Schumer for allowing me to go first, and I look forward to working with you as we respond once again as neighbors to our neighbors' suffering and make them as whole as we possibly can.

Thank you.

Senator LANDRIEU. Thank you.

Senator Schumer, you're next.

Is there a timeframe, Jack? Senator?

Senator SCHUMER. He's senior to me as well. I am senior to Carper and Cardin.

Senator LANDRIEU. I'm sorry.

Chuck, I don't know why I think you've been around here the longest. It may be because you're the loudest, maybe because you're the loudest. Do you think that might be it?

Senator SCHUMER. My ancient looks.

Senator LANDRIEU. No, that is not it.

Senator SCHUMER. Compared to many of these young fellows over here.

Senator LANDRIEU. Senator Reed, I'm sorry. Go right ahead.

Senator REED. I would defer to Senator Schumer because his State suffered such grievous damage along with New Jersey.

Senator LANDRIEU. Senator Schumer.

STATEMENT OF SENATOR CHARLES E. SCHUMER

Senator SCHUMER. Thank you. I thank you and I thank my colleagues and Senator Reed for his always present courtesy. My colleagues here, we're all joined together in this disaster.

Madam Chair, I just want to thank you for being such a strong leader on this. You called myself, Senator Gillibrand, Senator Lautenberg, and Senator Menendez the day after the storm, offered your guidance because of what your area has gone through; and it's been invaluable to us, and your leadership as well.

I want to thank Ranking Member Coats as well. He has been an open ear and a very sympathetic ear to us in our time of tragedy and need. Senator Cochran has been at all of our meetings and very supportive and very helpful, and we thank you. And it's great to have an ally in Senator Mikulski. While Maryland wasn't as damaged as New York or New Jersey, she will be a strong fighter for these things, as she has been over the years.

I was very pleased—we've said many things about this storm. I'd like to focus on something you, Madam Chair, and Ranking Member Coats talked about, which is mitigation, and Senator Lieberman alluded to it as well. The tragic storm was an unfortunate wakeup call for New York that much more must be done by the Federal, State and local governments in our region to protect and fortify our vulnerable infrastructure from future storm surge activity.

New York has no choice. We must simultaneously rebuild and adapt to protect against future storms. We have to do both. New York is a waterfront region and it's abundantly clear we're in the path of violent new weather realities. The modern infrastructure that powers and moves New York was not built to withstand Mother Nature's wrath in this rapidly changing climate.

As I have said, Hurricane Sandy reminded us of a very stark reality. We can either invest in protections now or we will pay more later.

So I'd like to spend a little time talking about the mitigation issue in two areas and giving FEMA and localities the flexibility to mitigate against future disasters so we can save taxpayer money. First, the electric grid. On Long Island, our public power agency, Long Island Power Authority, suffered unprecedented damage to an unprotected system—4,500 poles, 400 miles of electric line, and 50 out of 185 substations were victims of Hurricane Sandy. One million people were without power at the beginning of the storm and for over 2 weeks.

The country watched as an inept and unprepared utility struggled to even communicate, let alone restore power to its customers. The Long Island Power Authority (LIPA) didn't do enough over the years to harden the system or flood-proof substations, like Senator Lieberman's, near the water. Nor did it invest in modern smart grid technology, the type of system that allows you to use computers and sensors to respond to outages, learn where the damage is, and communicate with customers. The lack of investment, leadership, and foresight by LIPA is now costing us big time.

Now, it doesn't give me pleasure to report to this subcommittee that LIPA will be submitting an estimated \$800 million reimbursement bill to FEMA for this storm. It would be penny wise and pound foolish to give LIPA \$800 million without helping harden and modernize an electric grid that will stand up to the next storm. So I've asked Administrator Fugate and Secretary Chu to allow us to use the authority under section 406 of the Stafford Act to incorporate a significant rate stabilization and mitigation plan into any reimbursement they issue to LIPA. We don't trust LIPA to spend the money on its own, to be honest with you.

It's imperative that this process start now with the full cooperation of the Federal Government. It's my understanding that this

week New York State began discussing with FEMA a systemwide mitigation proposal where the authority would submit a large plan to harden the system as opposed to individual work sheets, and I would encourage the subcommittee to work with us on this.

Just one more point on subways. Hurricane Sandy decimated our New York City subway system. It's an amazing system. Three and one-half million people go on and off Manhattan Island every single day. Despite suspending service, the Metropolitan Transportation Authority (MTA), the subway authority, was much better than LIPA. They suspended service in anticipation of Hurricane Sandy's arrival. They moved the rolling stock to high ground so none of it got damaged. They still, with all that foresight, sustained approximately \$5 billion in damage after its system was inundated with storm surge.

You've probably seen the pictures on TV of, say, the Southbury Subway Station totally up to the ceiling with water. Throughout the system, switches were corroded by the salt water. While the MTA tried to take precautions and put up temporary barriers in front of subway entrances, in many cases the wind, high winds, flying debris, just pushed that stuff away.

The MTA estimates it will cost about \$600 million to, say, repair the Southbury Station alone and many of the tunnels that connect New York and Senator Lautenberg's State of New Jersey were totally flooded. The subway tunnels that connected Manhattan to Brooklyn and Queens were totally flooded and we're going to need to redo these.

So the MTA has investigated as a mitigation measure installing inflatable plugs and station seals at these vulnerable flooding points. These are serious proposals that the Federal Government must consider funding.

In conclusion, there's a big challenge for FEMA and this Congress that lies ahead: Will FEMA and the supplemental relief bill that this Congress must pass provide New York and our sister States with the necessary mitigation funding to prevent these massive damages again in the next storm, or will we roll the dice, get away with a more bargain price now, only to see the taxpayer tab skyrocket after the next storm. It would be silly to do so. We know our public infrastructure that we will fix after Hurricane Sandy will be automatically eligible for more Federal assistance if it gets damaged again. It would be crazy not to protect this one-time Federal investment.

PREPARED STATEMENTS

So thank you. I ask my entire statement be read in the record.

And Senator Manchin, Madam Chair, couldn't come, but asked me to submit his entire statement for the record as well. West Virginia did get some damage.

Senator LANDRIEU. Without objection, both statements will be submitted to the record.

[The statements of Senator Schumer and Senator Mandin follow:]

PREPARED STATEMENT OF SENATOR CHARLES E. SCHUMER

Thank you for taking the time to hold this hearing to discuss the damage to New York and its neighbor States from SuperStorm Sandy. I'd like to especially thank the chair and ranking member for agreeing to hold this important hearing today. These are tough times and the support we have received from our colleagues has been exceptional.

As you know, this tragic storm was an unfortunate wake-up call for New York that much more must be done by the Federal, State and local governments in our region to protect and fortify our vulnerable infrastructure from future storm surge activity. Our State suffered, according to some estimates, near \$100 billion worth of damage to public and private assets.

Along with Governor Cuomo and the New York delegation, we are asking for approximately \$42 billion of that total. The numbers are mind-blowing. Here are just a few examples:

- Transportation: \$7.3 billion;
- Housing: \$9.6 billion;
- Utilities: \$1.5 billion;
- Hospitals: \$3 billion; and
- Government and schools: \$2 billion.

The devastation is wide and deep. In these times of national crisis, the Federal Government always steps up. It must do so again now. But this event calls for a complete re-start of how New York and the Federal Government think about and implement storm protection.

New York has no choice: We must simultaneously rebuild and adapt to protect against future storms. We are a waterfront city and a waterfront State and it is abundantly clear we are in the path of violent new weather realities.

The modern infrastructure that powers and moves New York was not built to withstand Mother Nature's wrath in this rapidly changing climate. As I have said, Sandy reminded us of a very stark reality: we can either invest in protections now—or we will pay later.

So I'd like to spend some time today talking about an issue that I know the subcommittee is focused on—giving FEMA and localities the flexibility to mitigate against future disasters so we can save taxpayers money. If we spend a little extra to mitigate today, it will save us a lot tomorrow.

ELECTRIC GRID

Let me start by focusing on the electric grid. On Long Island, our public power agency, the Long Island Power Authority, has suffered unprecedented damage to an unprotected system. Over 4,500 poles, 400 miles of electric line, and 50 out of 185 substations were the victims of Sandy. Nearly 1 million people were without power at the beginning of the storm and for over 2 weeks, the country watched as inept and unprepared utility struggled to even communicate, let alone restore power, to its customers.

LIPA didn't do enough over the years to harden the system or flood-proof substations. Nor did it invest in modern "smart grid" technology, the type of system that allows you to use computers and sensors to respond to outages and communicate with customers. That lack of investment and leadership is now costing us big time.

It doesn't give me any pleasure to report to you today that LIPA will be submitting an estimated \$800 million reimbursement bill to FEMA for this storm. It would be penny-wise and a pound foolish to give LIPA \$800 million without helping to harden and modernize an electric grid that will stand up to the next storm.

Yesterday, I wrote Administrator Fugate and Secretary Chu a letter asking them to use the authority under section 406 of the Stafford Act to incorporate a significant rate stabilization and mitigation plan into any reimbursement they issue to LIPA. It is imperative that this process starts now and with the full cooperation with the Federal Government.

I don't have to tell the subcommittee that sometimes the bureaucracy stands in the way of funding these important mitigation measures through the Public Assistance process. It is my understanding that this week New York State began discussing with FEMA a system-wide mitigation proposal where the Authority would submit a large plan to harden the system, as opposed to individual project worksheets.

I would encourage the subcommittee to work with us and our Federal agency partners to support this approach. We must make sure that we provide the tools and public support in this relief package for FEMA to help strengthen the Long Island power grid.

SUBWAYS

Sandy also decimated our New York City subway system. Despite suspending service in anticipation of Sandy's arrival, the Metropolitan Transportation Authority (MTA) sustained approximately \$5 billion in damages after its system was inundated with storm surge. Many of you probably saw on television a completely flooded brand new South Ferry subway station, a crucial transportation link that connects commuters and tourists in Manhattan to the Staten Island Ferry.

While the MTA took all necessary precautions in preparation for Sandy, the system has never been subjected to a storm of this size or magnitude. To their credit, the MTA smartly put up temporary barriers placed in front of subway entrances for stops along the system. In many cases, they worked.

But in other areas, like at the South Ferry Station, these barriers were knocked over by Sandy's high winds and flying debris, causing stations to become inundated with salt water. The MTA estimates that it will cost nearly \$600 million to repair South Ferry Station alone and over a year to complete such repairs so that the stop is operable once more.

Still more, the many underwater tunnels that connect New York and New Jersey and Manhattan to Long Island were completely flooded. The MTA has investigated, as a mitigation measure, installing inflatable plugs and station seals at these vulnerable flooding points. These are serious proposals that the Federal Government must consider funding. So there is a big challenge for FEMA and this Congress that lies ahead.

Will FEMA and the supplemental relief bill that this Congress must pass, provide New York the necessary mitigation funding to prevent these massive damages again in the next storm? Or will we roll the dice and get away with a bargain price now, only to see the taxpayer tab skyrocket again after the next storm?

It would be silly to do so. We know that all of the public infrastructure we will fix after Sandy will be automatically eligible for more Federal assistance if gets damaged again. It would be crazy not to protect this one-time Federal investment.

I thank the chair and the subcommittee for this opportunity.

PREPARED STATEMENT OF SENATOR JOE MANCHIN

Chairman Landrieu, Ranking Member Coats: On behalf of all West Virginians, and especially those affected by Superstorm Sandy, thank you for your leadership on the important topic of our Federal Government's response to natural disasters. I also want to thank you for holding today's hearing so we can discuss ongoing efforts to help States and individuals recover from this calamitous storm.

As we all know, Superstorm Sandy caused severe damage in many States on the eastern seaboard. This storm uniquely affected West Virginia with not only heavy winds and rains, but also snow accumulation of 50 inches in the mountains of northern and western parts of West Virginia. Emergency responders and our National Guard were pushed to the limit by power outages that affected nearly a million of our residents, by the need to vigorously monitor water levels of many affected rivers, and by having to quickly establish emergency shelters all across the State.

But this is only part of the story of Superstorm Sandy and West Virginia. Our responders also were overwhelmed by dozens of roads that required debris removal, the need for reconnaissance flights to identify downed power lines and substations damaged by fallen trees, and by the urgent requirement to reach individuals across the State who were isolated and in need of such basics as food, water, medicines, and shelter.

The State of West Virginia has had its fair share of disasters in 2012. In this year alone, the State has received four major disaster declarations and two emergency declarations from FEMA.

In March of this year, our State endured seldom seen flooding, landslides and even a tornado, which is an extremely rare event for West Virginians. Counties in southern West Virginia bore the brunt of these storms that flooded homes and destroyed buildings, roads, and public and private bridges across the region. Many residents of the counties affected by these storms are low-income and elderly, and do not have personal insurance plans on which to rely.

The summer derecho brought unseen destruction to our State. Within hours the storm had caused severe damage in all 55 counties. Nearly 700,000 residents were without electricity for days in near 100-degree summer heat. Critical services, including 911, cell and radio towers and the water systems people depend on were rendered inoperative for days as well.

In each of these situations over the course of 2012, FEMA has been a trusted and valuable partner every step of the way. Under the leadership of the President,

FEMA has quickly responded to our needs. I want to publicly thank Secretary Napolitano for visiting our State as we responded to Sandy, and for FEMA Administrator Fugate and his staff for their responsiveness and coordination with my staff and that of Governor Tomblin and leaders of the West Virginia National Guard and the Division of Homeland Security and Emergency Management.

Without these resources and their tireless efforts my State would not have fared as well as we did through a year of numerous and significant natural disasters. West Virginia still grieves the loss of seven of our citizens to storm-related accidents, but we are convinced that FEMA's assistance prevented the loss of many others.

Moving forward, FEMA has told us that debris removal remains the biggest issue for our recovery. This storm has left more debris in its wake than any other storm on record, totaling nearly 1 million cubic yards. Needless to say, with that kind of impact the work to recover is ongoing. There is also substantial work on permanent structures that remains. We need FEMA's assistance to repair our roads and bridges, our water control facilities and other public utilities, and we must ensure public buildings are safe for our citizens.

FEMA continues to respond to the concerns of my staff, and my hope is that they will continue to work together, along with State agencies, to ensure improved coordination and collaboration to improve our preparations for the storms that are sure to come. Finally, I would also use this opportunity to again stress that the President's fiscal year 2013 budget should contain necessary funds for all those affected by Superstorm Sandy to rebuild their homes, and to assist businesses and communities get back to normal.

Chairman Landrieu, this concludes my statement. Again, on behalf of all West Virginians affected by Superstorm Sandy and the many other natural disasters in recent years, thank you for holding this important hearing.

Senator LANDRIEU. We've been joined by Senator Lautenberg, the vice chair of our subcommittee. I'm going to ask him for just a short opening statement now, and of course we'll have questions.

STATEMENT OF SENATOR FRANK R. LAUTENBERG

Senator LAUTENBERG. Thanks very much, Madam Chairman.

Senator LANDRIEU. Thank you for your leadership, Senator Lautenberg.

Senator LAUTENBERG. My apologies. I was detained. But I wanted to be here to help present the case for the funding for the assistance that we in New Jersey underwent during this terrible storm. My State is still reeling from shock. There are lots of people—still in the middle of the storm as far as their lives are concerned.

It's terrible because not only are our seashores an integral part of New Jersey's culture, of New Jersey's economic opportunity, but people that built second homes years ago very often have moved to those homes and now they're their first homes and along the shore. And there is no asset, as we all know, more valuable for most families than the home that they own.

PREPARED STATEMENT

So, Madam Chairman, I thank you for your help and leadership here. I ask unanimous consent that my full statement be included in the record and I look forward to hearing further from our colleagues.

[The statement follows:]

PREPARED STATEMENT OF SENATOR FRANK R. LAUTENBERG

Madam Chairman, thank you for calling this hearing and for your continued support and friendship during this difficult time for New Jersey. You know the devastation of a hurricane all too well, and have been a great leader on disaster relief and recovery. I look forward to working closely with you to write a supplemental appropriations bill that will help rebuild New Jersey so it is stronger.

And Secretary Donovan and Administrator Fugate, I thank you for your incredible work thus far helping families and communities throughout the region get back to normal.

Superstorm Sandy has caused unimaginable suffering. Forty people in New Jersey were killed, and at least 130 in the United States lost their lives as a result of this storm. The devastation in my State is almost too difficult to describe in words—but this picture of a destroyed home makes the force of Superstorm Sandy immediately clear.



This home in Union Beach is just one example of the devastation throughout New Jersey. Across the State, roughly 22,000 homes were destroyed—and more than 300,000 were damaged. These families lost belongings that had been in families for generations, rooms where they raised their children, and irreplaceable memorabilia.

The storm affected virtually every aspect of society—from families and businesses to schools and hospitals. In total, recovery and mitigation costs for New Jersey and New York have been estimated at nearly \$80 billion. That's why we need to pass a supplemental appropriations bill this year.

New Jerseyans have always been ready to help when another State suffers from a hurricane, drought, flood, or other disaster. Now we need our fellow States to be there for us. And we should not just clean up and recover—we need to rebuild stronger than ever, and be better prepared for the next storm.

Madam Chairman, we learned a lesson from this storm that you know all too well: when we don't invest in our infrastructure, we leave our communities in grave danger. The lack of investment in adequate levees before Hurricane Katrina led to billions of dollars in damage and many lives lost.

Well, in New Jersey, beaches are our levees—they act as critical buffer zones that protect our communities from flooding. Up and down the Jersey Shore, we saw that many homes behind beaches or dunes that were built up or widened by the Army Corps of Engineers were still standing after the storm—even when nearby homes without beach projects were destroyed.

In the Long Beach Island community of Holgate, which did not have an Army Corps project, property was destroyed or damaged. We see an example of that in this picture.

WITHOUT ARMY CORPS PROJECTS, HOMES WERE DESTROYED



Compare that picture to this image of homes that were shielded by beach projects in Brant Beach—just a few miles away.

DUNES ABSORB THE BLOW, PROTECT COMMUNITIES



This picture shows how the dune was constructed so that it could absorb the storm's force, protecting the homes and neighborhoods behind it. We could have prevented damage—and saved taxpayer money—if we had invested in more Army Corps beach projects before the storm. That's why we need to provide resources for rebuilding better than before.

We also need to repair and protect our transportation and electrical infrastructure. The Federal Transit Administration's new Emergency Relief Program and HUD's Community Development Block Grant program would help do just that. And as we extend support to the region, we must do so quickly to begin the rebuilding process.

So Madam Chairman, Secretary Donovan, and Administrator Fugate, thank you again for your partnership. I look forward to our continued work together to help New Jersey and the whole region recover and rebuild.

Senator LANDRIEU. Thank you very much, Senator Lautenberg. You've been a strong voice since the day the storm hit and I look forward to working with you in shaping a robust supplemental for the State of New Jersey and the other States equally devastated.

Senator Reed.

STATEMENT OF SENATOR JACK REED

Senator REED. Thank you very much, Chairman Landrieu and Senator Coats, and all my colleagues on the subcommittee. Thank you for the opportunity to testify this morning about the impacts of Hurricane Sandy on Rhode Island as the Appropriations Committee considers how to deal with the consequences of this extraordinary disaster.

RHODE ISLAND

I want to extend my sympathies to all my colleagues whose constituencies were affected by this storm. Despite the significant—and we did suffer significant damage in Rhode Island—we know the outcome could have been even worse for our State had the storm followed a slightly different track.

We also benefited from the support and assistance of several Federal agencies in preparing for and responding to Hurricane Sandy. While he's here, I want to commend FEMA Administrator Craig Fugate for his assistance to Rhode Island and for his knowledge and his excellent participation; and also to Nick Russo, who is the Federal Coordinating Officer in Rhode Island. That team did a great job. And I'm very pleased that the President has appointed Secretary Shaun Donovan as the coordinator. He's an extraordinary public servant and I'm glad he's here today.

Hurricane Sandy was the third major disaster to strike Rhode Island in as many years, affecting four of our five counties. The south coast of Washington County, which includes the communities of Westerly, Charlestown, South Kingstown, and Narragansett, was pounded over several tide cycles. Homes were uprooted and dunes were obliterated. Sand was driven back into coastal ponds, through homes and onto local roadways, exposing underground pipes, septic tanks, and other utilities.

Off the coast near Block Island, a USACE Coastal and Ocean Data System buoy reported perhaps the largest wave of the storm at 47 feet. The island sustained severe road damage, as well as damage to its stock.

In addition to damage covered under disaster declarations issued by the President under the Stafford Act, preliminary damage re-

ports indicate damage of approximately \$40 million to public infrastructure that will likely need to be covered by other agencies. This includes damage to harbors and channels as well as Federal roadways, which will require significant funding for USACE and DOT to repair.

For Rhode Island, which has felt the effects of the economic downturn as much as any State and today ranks second, unfortunately, in the Nation in unemployment, recovering from the third major disaster in 3 years will be a significant challenge. This is a point emphasized by Governor Chafee, who recently wrote to President Obama about Rhode Island's needs following the storm. I would ask that a copy of his letter be entered into the record.

[The referenced letter follows:]

LETTER SUBMITTED TO PRESIDENT BARACK OBAMA BY GOVERNOR LINCOLN CHAFEE



State of Rhode Island and Providence Plantations
State House, Room 224
Providence, Rhode Island 02903
401-222-2080

Lincoln D. Chafee
Governor

December 2, 2012

The Honorable Barack H. Obama
President of the United States
1600 Pennsylvania Avenue
Washington, DC 20500

Dear Mr. President:

On behalf of the residents and businesses of Rhode Island, I respectfully request financial assistance to recover from Hurricane Sandy. I understand that a supplemental appropriations request is being prepared, and I am hopeful it will include resources for states that were impacted by Hurricane Sandy. Rhode Island has experienced three major disasters in three years, and given its current economic and fiscal conditions, it is very difficult to identify adequate resources to fund recovery and mitigation efforts.

There are a number of existing federal programs that provide the type of assessment, feasibility and capital financing that is necessary to help Rhode Island residents, communities and businesses recover from this devastating storm. I request that funding be provided in these programs to specifically assist Rhode Island during the recovery and mitigation phases. Federal programs that have been applied in Rhode Island have demonstrated the value of making smart investments during the recovery stage in order to prevent damage during future disasters.

The Honorable Barack H. Obama
December 2, 2012
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First, Rhode Island requests Disaster Community Development Block Grant (CDBG) funding as well as Economic Development Administration (EDA) grants. Due to the State's economic and fiscal condition, both the Disaster CDBG program and EDA grants are critical for municipalities and businesses to rebuild infrastructure. I respectfully request that an allocation of Disaster CDBG funds and EDA grants be guaranteed for Rhode Island in the wake of Hurricane Sandy.

Second, Rhode Island requests funding from the Army Corps of Engineers (Army Corps) to conduct reconnaissance studies as well as feasibility studies. The State is familiar with the value of these studies based on the work the Army Corps is undertaking to assist Rhode Island communities and businesses that are still recovering from major floods in 2010. The scientific data and recommendations from the Army Corps provide the foundation for determining the most cost-effective and feasible infrastructure projects for a community and a business to invest in. The Army Corps' Continuing Authorities Program should be part of the Hurricane Sandy response in Rhode Island including but not limited to section 103 (small beach erosion), section 205 (flood control), and section 206 (environmental restoration).

Finally, Rhode Island requests funding to support dredging and restoration of coastal areas. There are many projects that will be identified that will be critical for the recovery efforts in many communities. Updated flood maps for Rhode Island are an important need. Resiliency planning for the Towns of Westerly and Charlestown is imperative. Dredging Little Narragansett Bay is critical for restoring Misquamicut. Environmental restoration of Winnapaug Pond would help with construction and beach and dune restoration. Other funds are needed to address operation and maintenance needs on Block Island. Short and long-term reconstruction planning should include other partners such as EPA, DOE, USACE, EDA, etc. These are just a few examples of the work that is needed as part of Rhode Island's recovery efforts.

As Rhode Island continues through the disaster assessment process, I request that future financial assistance related to the recovery be considered. Technical information and financial impacts are still being assessed and measured. Therefore, additional funding needs will likely be requested from Rhode Island once more information is available.

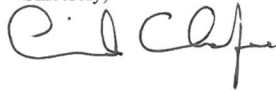
I am grateful for the tremendous work that the Federal Emergency Management Agency (FEMA) has undertaken in Rhode Island and the strong partnerships they have formed with State and local emergency managers. On November 3, 2012 you approved my request for a Major Disaster Declaration and have approved two amendments that in total include four out of five

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counties in Rhode Island. Since then Rhode Island's emergency managers have completed a tremendous amount of work to secure both Individual and Public Assistance resources. I am thankful for the support and guidance FEMA has provided them throughout this initial process.

I stand ready to work with you and your Administration to help the families, communities and businesses that were devastated by Hurricane Sandy. I know the outcome for Rhode Island could have been much worse, and I am sensitive to the challenges that other states in the Northeast are dealing with from the worst impacts of Hurricane Sandy. I appreciate the opportunity to provide you with this request. Thank you for your attention to Rhode Island's needs.

Sincerely,

A handwritten signature in black ink, appearing to read 'L. Chafee', written over a horizontal line.

Lincoln D. Chafee
Governor
State of Rhode Island

cc: Honorable Jack Reed
Honorable Sheldon Whitehouse
Honorable James Langevin
Honorable David Cicilline

Senator REED. I also would join my colleagues in requesting that any aid offered by the subcommittee be made available, all categories of aid, to the State of Rhode Island to respond to this unprecedented crisis. Providing the State fiscal relief in the form of additional Federal fiscal year through disaster and CDBG funding, and Economic Development Administration grants, as well as cost-sharing flexibility for FEMA assistance, have been important to the State in past disasters and will be again for the post-Sandy recovery.

As we move through recovery and into long-term mitigation, we should also be mindful of the long-term impacts and resiliency of our coasts and the impacts of sea level rise and global warming. In that vein, there are smaller scale measures that can be undertaken as well. In particular, we should not ignore the USACE's Continuing Authorities Program, the CAP program, as part of the response. This includes section 103 small beach erosion, section 205 flood control, and section 206 environmental restoration. For States and communities with limited resources, these small-scale projects can be enormously beneficial and effective, particularly after disasters.

Before I conclude, I also want to note the need for continued robust funding for FEMA's regular program, including pre-disaster mitigation and flood mapping, which have been the targets of significant cuts in recent budget submissions. These programs are critical to supporting the smart planning that we can use to minimize disaster damage. I want to thank you, Madam Chairman and my colleagues, for your efforts to maintain the Federal investment in these programs over the years and hope that we can find ways to enhance them as we move forward.

Again, thank you very much, Madam Chairman.

Senator LANDRIEU. Thank you, Senator Reed, and thank you for mentioning flood mapping along the coast. It's a very critical issue for us to address and get right.

Gentlemen, Senator Gillibrand has joined us and she's got to preside at 11 o'clock. Can I ask you if she could proceed?

Senator Gillibrand.

STATEMENT OF SENATOR KIRSTEN E. GILLIBRAND

Senator GILLIBRAND. I thank my colleagues for being so generous with your time. I really appreciate it. Senator Klobuchar is sitting in for me in this short interim so I can come in in between my presiding hours.

NEW YORK

Thank you, Madam Chairwoman, for holding this hearing. I can't tell you how much your words of support have meant to Senator Schumer and I and all of our colleagues who've been affected by Super Storm Sandy. I'm very grateful for the very productive conversations we've had with Governor Cuomo, with the delegation, with our appropriators, along with our leaders. I just want to thank you for being so thoughtful and helpful in trying to create the best momentum possible for the recovery that our families need.

Particularly I know that, as you suffered through Hurricane Katrina and the enormous work you had to do to begin to rebuild New Orleans and other surrounding areas, your advocacy during that time was extraordinary. I really appreciated when you said that you would stand by us in the way that New York stood by you during that difficult time. That was extremely kind.

I also want to talk a little bit about how this storm is affecting our families and what kind of recovery it's actually taking to rebuild. Obviously, millions of people's lives have been affected. More than 40 New Yorkers have died and millions were left with significant damages to their homes, neighborhoods, businesses, and families.

One story is of a man, Pedro Correa from Staten Island. Now, Pedro is a lifelong New Yorker. When he saw the Twin Towers fall, he determined that he had to protect our Nation and he entered the service. He went to Iraq. He's now a security guard at Sing Sing Prison. He and his wife are raising their kids on Staten Island. They have two children, ages 2 and 6.

Now, as the hurricane approached and the super storm hit, Pedro directed his family to leave the home, to seek higher ground, to seek safety. He stayed in the home because he had just remodeled it himself and he wanted to make sure he could protect it. But the flood waters rose, and he became so frightened he thought he wouldn't survive that night, and he called his family to say goodbye to them. As the storm waters rose, he was able to swim, with a broken rib, to a neighbor's house and he actually survived.

Despite that harrowing time and that difficulty, he's now not receiving the aid he actually needs to rebuild that home. He's been able to file insurance claims. That was capped. It was capped at less than one-half of the value of his home. He sent in his FEMA claim. FEMA offered only \$2,800.

So you can imagine, he doesn't have any choices right now. His only choice actually is to declare bankruptcy if he's able to rebuild his home. This is a man who lived through the terrors of 9/11, represented our Nation in Iraq with courage and dignity, and now he's fighting for his own life, just to save his family and his home.

These are stories that you've heard so many times, Senator, in your own State and in your own Committee. I just want to thank you for understanding how important this is and letting my colleagues and I all testify.

So what we now have to do is begin to rebuild our State. We've been hit very hard across the Hudson Valley, across Long Island, all across the five boroughs. As you know, families' homes are destroyed and their businesses are in rubble.

But New Yorkers are tough, just like folks from your State. They certainly can get knocked down, but they get back up every single time. I think that what we have to do is begin to focus on how we give them the tools they need to do this.

Now, what we know so far, we have over 300,000 homes seriously damaged, more than 265,000 businesses impacted. About 238,000 have filed their FEMA claims to date and thousands of New Yorkers are still homeless. We've estimated our damages are upwards of \$32.8 billion and this was a conservative estimate. This was an estimate based only on the damage that had been reported

to date. So only on the number of people who have been able to file those FEMA claims, who have been able to file their insurance claims, able to file flood insurance. These were very conservative numbers. So we do not believe this is even the extent of the damage that New York will have to repay.

We have a couple photos that have been shown. This one here is Breezy Point. As you heard, with Breezy Point a whole neighborhood was razed by fire. There's absolutely not a house standing in that neighborhood. It will take enormous effort to get that up and running.

This is a photo to show the power of the storm: a boat in the middle of someone's yard, a house destroyed, crushed through the lower two floors. So you can see.

We have one of firefighters who are in lower Manhattan. You can see the height of the flood waters. We've talked about the number of tunnels that were actually flooded. The problem with salt water is when it gets into tunnels and gets into subway systems, it can destroy the electrical systems. So the rebuilding takes an enormous amount of investment. Many of our bridges and tunnels were destroyed.

Then our last photo is just the region that I want to show you, to show how much land area was deeply affected. Obviously, the purple area is what received the height of the storm, received the most damage. The red areas were also significantly affected. But you can see how vast the storm was. It really crushed areas that had very high density of populations, and that's why the cost for rebuilding is so extraordinary.

But I do want to thank you again for holding this hearing. I want to recognize how important your leadership is here, and I want to ask you on behalf of New Yorkers to please meet the needs of our ability to rebuild.

Thank you.

Senator LANDRIEU. Thank you, Senator Gillibrand.

Senator Carper.

STATEMENT OF SENATOR THOMAS R. CARPER

Senator CARPER. Madam Chair, thanks so much to you, to our ranking member, Senator Coons, and to Senators Mikulski and Lautenberg, our neighbors in Delaware, and to Senator Cochran.

DELAWARE

I've been sitting here thinking as I listened to our colleagues speak. We used to be on the other side of this table. We used to be sitting up where you are, because for the most part we have some storms from time to time, nor'easters, as Senator Mikulski and Senator Cardin know. We have nor'easters, very rarely tornadoes, very rarely. Droughts, we have some problems with droughts. But we're blessed for the most part.

And today we've gone through maybe not as bad as some of what you have suffered, but for us, it's heart-wrenching. And we just want to say very much, thank you for being neighbors and treating us like—we're a Nation of neighbors. I'm happy that you have acknowledged that, and we just very much look forward to working with you.

A big shout-out to FEMA. They're a great partner in this. A big shout-out to USACE. They did wonderful work and still continue to do that, and we're grateful for that.

Senator Coons may be joining us later. I'm not sure. But for Senator Coons, Representative John Carney, our Congressman, and for our Governor Jack Markell, I am pleased to be here to speak for them and with them.

While Delaware didn't receive the kind of devastation that our neighbors to the north have received, we've suffered widespread flooding. We've suffered severe damage to many homes and to many businesses. Our beaches, which provide a vital buffer between the ocean and our shore communities, have been badly depleted, leaving us vulnerable to flooding and to damage even from small storms and routine high tides. The roads and the bridges that serve as arteries for commerce, like State Route 1, which connects our State to Maryland, our bridges and roads have been damaged and washed out in many parts of our State and will be damaged or replaced.

I wish I had a big photo, a large photo. Senator Mikulski, Senator Cardin, you know, State Route 1 in Delaware connects us. It's a north-south highway that runs up and down our State right down to Ocean City. For years we've had a big bridge there, a big four-lane bridge that goes over the Indian River Inlet. We just replaced it with a new four-lane bridge. The old bridge, which sits right beside it, is gone. It is just gone.

The road approaches to that bridge are gone. It's an amazing thing. Just 4 or 5 months ago we were using that bridge. That was the major link between our State's north and south.

We've experienced widespread damage to storm water systems, to dikes and dams throughout our State. Our Governor continues to work with local officials and Federal agencies to determine the full extent of our losses to Hurricane Sandy. Preliminary assessments—given what we've seen here from New York and Connecticut and New Jersey, this is going to sound modest, but preliminary assessments show that Delaware needs somewhere between \$7.5 million to \$9 million in reimbursements from FEMA for preparations, for response, for cleanup and repairs.

Federal agencies in Delaware such as Fish and Wildlife Service and USACE are still performing their own assessments of the facilities that they oversee, but early assessments tell us that they will require tens of millions of dollars more to perform the necessary repairs.

These may again seem like small numbers compared to some of our neighboring States, but given our already strained State budget, Delaware's going to need assistance through FEMA and other agencies to fill the funding gap. However, if an ounce of prevention is worth a pound of cure, and I believe that it is, then we must also do what we can to mitigate the effect of future storms like Hurricane Sandy. This is a recurring theme, I think, of several of our testimonies. It's especially important as climate change drives the sea levels to rise and increases the severity and frequency of coastal storms.

For example, over the years the USACE has built a series of storm protection projects in Delaware, in Maryland, and up and

down the east coast, funded by both State and Federal dollars. Thanks in no small part to these efforts, our robust beaches and our strong dune protection system, performed exceptionally well during the worst of Hurricane Sandy, likely sparing us billions of dollars of damage and saving homes and businesses and livelihoods along our Atlantic Ocean coastline.

In Delaware, a relatively small investment in prevention, in the tens of millions of dollars, helped to protect almost 20,000 homes in our coastal communities with a value of some \$7 billion. Investing in protection clearly paid off and we must find ways to support and, if possible, expand this type of cost-effective prevention to secure lives and property for years to come.

In fact, Madam Chair, we need to look no further than your State for a model of how to invest in prevention and strengthen our coastal management efforts to better weather these increasingly devastating storms.

Again, our thanks to you for letting us come today to make our presentations and to ask for you to do what we did, to treat us as neighbors, and, too, because some day the shoe will be on the other foot as it is for us. Thanks so much.

Senator LANDRIEU. Thank you, Senator Carper. You can count on us to be the neighbors that you need right now.

Senator Cardin.

STATEMENT OF SENATOR BEN CARDIN

Senator CARDIN. Well, Chairman Landrieu, I also want to join my colleagues in thanking you and Senator Coats and all the members of this subcommittee for your continued interest. You've been a real champion on the Federal Government's partnership and responsibility during these disasters and we very much appreciate that very much.

MARYLAND

Maryland as a whole did better than our surrounding States, but there are places in Maryland that were devastated by the storm. So I join with Senator Mikulski in urging this subcommittee to do everything we can to help bring people back to their normal lives and protect our communities from the damages of these more frequent severe storms.

Maryland suffered severe damage. We had loss of life, loss of property. We had high and sustained winds, over 70 miles an hour, hour after hour after hour after hour. We had record amounts of rainfall. Over nine inches fell in our State, a coastal State. We had storm surges, waves over seven feet. It was a devastating storm to parts of our Maryland.

I want to compliment our emergency responders. They did an incredible job. Our Maryland Emergency Management Agency brought together all the resources, including the Federal agencies, and they worked together to save lives and to save property. It was an incredible effort. Our Governor, Governor O'Malley, provided the leadership we needed locally to our local governments. As a result, we did mitigate the amount of loss of life and damage.

It was not just our coastal areas. In the western part of our State we had an unbelievable blizzard. Over 30 inches of heavy snow fell

in the western part of our State. In one county, Garrett County, where only 30,000 people live, 15,000 homes were without power. That's every home. Many of these properties are located in very remote places. This is Appalachia. It's hard to get to these areas. Heroic efforts were made to save people's lives and we did. But they're still recovering and the damages are severe.

Senator Mikulski talked about the lower shore and I just want to underscore the point. We understand the collective damage issue, but if you live in Crisfield, Maryland, you are suffering as badly as any part or any community in this storm, with homes that are not habitable. In Crisfield 32 percent of the population is below the poverty level. They have homes that they can't live in.

They are looking to us for help. They want us to—they expect the Federal Government to be a partner and we have to find a way to make sure that we can help them in their time of need. I know this subcommittee is committed to doing it. Let's take a look at the programs and let's make sure they work.

I fully support your efforts. A supplemental appropriation, absolutely. Let's do what's necessary to provide the necessary funding and let's figure out a way that all communities that have been adversely affected are handled.

We appreciate the emergency declaration as it relates to our public facilities. We have to help our private property owners.

I want to just join the choir here in saying we've got to invest in resiliency. We have to invest in mitigation. I would just give you one example. The Federal Government has invested in Assateague Island. We have widened it, we have put additional sand down. Why? Because it's a buffer protecting from these severe storms. We had the severe storm; Ocean City was spared a lot of damage as a result of the investment that we made in Assateague Island.

So we've got to continue to make those types of investments and mitigation, and I hope we will be able to take advantage of the opportunities that may be available now as a result of Hurricane Sandy to invest in mitigation, to help us. I have a resiliency bill that I have filed that I think would help in this. One thing is clear. We're going to have more and more of these severe storms. We have to be prepared for it. Let's help the people who have been damaged, the communities that have been damaged, and let's invest in ways that we can mitigate the damages in the future.

Senator LANDRIEU. Thank you, Senator Cardin.

Senator Blumenthal.

STATEMENT OF SENATOR RICHARD BLUMENTHAL

Senator BLUMENTHAL. Thank you, Senator Landrieu. I want to join in thanking you personally for your calls, your very prompt and solicitous contact with me and others in our State, along with members of the subcommittee, for having this hearing, Ranking Member Coats and others.

And I want to thank SBA, Karen Mills, Secretary Napolitano, Administrator Fugate. All of them have visited Connecticut to see firsthand the scope and scale of the extraordinary damage there; and Secretary Donovan for his leadership. He has been in contact with our Governor numerous times. The Federal Government has

really responded promptly and decisively to this crisis and we are grateful to them.

These storms have created a new normal. This storm was the fourth in just 19 months to devastate Connecticut, and the costs are cumulative, in the hundreds of millions of dollars. We've requested \$3.2 billion through our Governor, as you heard from Senator Lieberman, and we strongly urge that we be included in the supplemental. Evidently that did not happen during the last supplemental, but we urge strongly that Connecticut be made eligible for this funding because it is so important.

But long-term, the mantra has to be: Invest now or pay later. These investments do work, as is shown, for example, by the 17-foot-high hurricane barrier in Stamford that blocked an 11-foot storm surge. It saved billions of dollars, estimated \$25 billion. We've requested money to replace the barrier's pumps that had to be operated manually during the storm. An investment of \$1 million can save \$25 million.

These numbers tell a story that is very, very powerful about the need for seawalls, dunes, sewer treatment plants, power transmission upgrades, infrastructure hardening, replacement of power lines, and creation of microgrids. We know what works. We know what we have to do and we know the investment will pay extraordinary dividends going forward, not just dividends but actually savings in the millions and billions of dollars.

Let me just conclude by addressing a question that I am asked often, and that is: Will fiscal austerity, the fiscal cliff, the fiscal challenges that are so daunting at this point in our history, deter or impede aid to recovery and rebuilding in the wake of Hurricane Sandy? My answer is: We're the United States; we come together, whether it's Hurricane Katrina, tornadoes, hurricanes, floods, or earthquakes, across the country. We are a community and we know what has to be done to aid the victims, innocent victims of these storms. And we will come together again, demonstrating the courage and grit and perseverance that the real heroes of these storms have shown again and again and again across the country, but most recently in Connecticut and New York and New Jersey, people who aided each other, heroes among the emergency responders who risked their own lives and gave up looking after their own property so that they could come and rescue and help others. I hope that that is the spirit that will pervade the consideration that goes to the victims of this latest storm.

Thank you very much, Madam Chairman, and thank you for having this hearing today.

Senator LANDRIEU. Thank you, Senator Blumenthal. That's a perfect transition to go to our next panel. Thank you for your testimony.

Would Administrator Fugate and Secretary Donovan come forward. I think Senator Blumenthal has asked a very important question and I hope some of those answers can be found today as we move forward with our hearing. If our courage and determination will simply match those of our constituents that were responding as the disaster was unfolding, I think we'll be in good stead. That's most certainly what I believe is called upon us to do.

And I would say that I think this country is big enough and strong enough to multitask. There are many challenges before us. This is only one of them, and we most certainly should be able to move forward with the supplemental while we're dealing with other fiscal issues of great significance as well.

Shall we start, Secretary Donovan, with your opening statement, and then Administrator Fugate? Well, I'm sorry. Did you prepare it in the reverse?

Secretary DONOVAN. You're the boss.

Senator LANDRIEU. Okay. Secretary Donovan.

STATEMENT OF HON. SHAUN DONOVAN, SECRETARY, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Secretary DONOVAN. Chairman Landrieu, Ranking Member Coats, and members of the subcommittee: Thank you for the opportunity to testify today.

I particularly want to talk about the progress that we've made in responding to Hurricane Sandy, as well as the challenges that we face in supporting the long-term recovery of the region. I know you've closely followed reports of the storm's impact on the region. We've obviously heard about that today from the first witnesses. You heard about the many injuries and tragic loss of life, as well as the massive flooding, structural damage, and power outages across the region.

As someone with deep roots in the region, I have been particularly affected by the storm's devastation as many friends and colleagues are still dealing with the aftermath. For this reason, I'm especially honored to have the opportunity to help with recovery and rebuilding efforts and pleased to be here today.

Having made several visits to the affected areas since the storm hit, including trips with the President and Secretaries Napolitano and Sebelius, I have had the opportunity to see firsthand the damage and to speak with State and local officials and, most importantly, residents about their needs. My conversations serve as a constant reminder that, while this is a disaster of epic proportions, the suffering is on a personal level affecting families and communities.

Today I'd like to briefly discuss some of the Department of Housing and Urban Development's (HUD's) efforts in the ongoing response and recovery efforts to the storm. Much of our work has been in support of the efforts of FEMA, which responded extraordinarily quickly and competently, and I want to congratulate Administrator Fugate on that work. I'll also touch upon how the recovery has been informed by our prior responses to other similar disasters. Senator Coats, you mentioned that we must learn from our experiences in other storms and you're exactly right. Finally, I'll address the special role the President had asked me to play with respect to rebuilding and redevelopment efforts.

The significant work already done to assist the region has involved effective coordination among State, Federal, and local authorities. This has included HUD, FEMA, as well as the Departments of Homeland Security, Transportation, Energy, Interior, and Health and Human Services, plus the SBA, the USACE, State and local officials, private businesses, and charitable organizations.

HUD'S RESPONSE TO HURRICANE SANDY

HUD personnel have been on the ground staffing FEMA disaster recovery centers and doing a variety of storm-related work, such as mobilizing special needs providers to assist families in shelters. We've made it a priority to provide immediate temporary replacement housing to displaced families, identifying thousands of available units in both public and private housing and getting that information to displaced individuals through FEMA's disaster recovery centers and the FEMA housing portal online.

Additionally, we've provided foreclosure prevention for storm victims with Federal Housing Administration (FHA)-insured mortgages by issuing a mandatory 90-day moratorium that includes all the counties in the Federally Declared Disaster areas. More than 300,000 homeowners in the storm-affected areas have FHA-insured mortgages.

HUD has also directed FHA lenders to provide storm-related insurance payments directly to homeowners. This will eliminate the problem that you and I have spoken about, Senator Landrieu, which occurred after Hurricanes Katrina and Rita where some mortgage companies used insurance payments intended to rebuild damaged homes for other purposes.

Along with FEMA, we've also been working to provide direct assistance to those in damaged or destroyed assisted-housing. After the storm surge flooded basements and damaged boilers and electrical systems in multifamily properties owned by the New York City Housing Authority, for instance, HUD worked with FEMA and the USACE to provide replacement boilers and generators, allowing thousands of low-income families to remain in their homes.

We're also ensuring communities have the funds to make infrastructure repair by providing waivers so that existing Federal CDBG and HOME funds can be used for disaster relief.

The success of the efforts grew in part out of what we learned and created in response to Hurricanes Katrina and Rita and other natural disasters. In September 2009, President Obama charged the Departments of Housing and Urban Development and Homeland Security to work on how as a Nation we address disaster-related recovery and rebuilding challenges. We created a long-term disaster working group composed of more than 20 Federal agencies and consulted closely with State and local governments, as well as experts and stakeholders. Out of this, in 2010 we published a draft of the National Disaster Recovery Framework, which after extensive public comment was published in its final version in 2011.

By appointing me to lead the current recovery and rebuilding, that is the long-term part of this effort, the President not only is applying the National Disaster Recovery Framework, but also recognizes that to adequately address the enormous range of regional issues and geographic areas included a larger coordinating role across Federal agencies and State and local governments is necessary.

At HUD we've developed strong relationships with these leaders and a unique breadth of experience in not only the housing, but the broader redevelopment issues as well.

Now let me be clear. Job No. 1 is our ongoing rescue response to help those affected by Hurricane Sandy, including tens of thousands of families across the region still in homes without power due to damage to their homes and many others that don't have homes at all. We will continue to work with FEMA and other agencies in this regard.

But, as the President recognized when he appointed me to head this current effort, we must look ahead as well and we must not distract the immediate responders from their jobs today. We want to ensure that homes that were damaged or lost are rebuilt, businesses are restored, and communities made whole. But we also want to build back stronger, smarter, safer, and more resiliently—a 21st century response.

REBUILDING SMARTER

We can support State and local leaders in creating a long-term recovery plan that will address housing, infrastructure systems, small business and local industry, health systems, social services, and natural cultural resources. This is a significant undertaking that will involve decisions large and small, from the kinds of design and materials we should use to rebuild boardwalks to whether gas stations should be generator-capable, to how or whether to rebuild in certain areas. But by developing such a plan we can be forward-leaning and identify potential obstacles before they impede State and local efforts.

This cannot and will not be a one-size-fits all, top-down, Washington knows best project. This is why we will involve those who know these communities best, the people who live and work in them. We want these communities to make their own smart choices when it comes to planning for disaster, choices that work for them and their needs over the long term. To that end, we'll engage States, tribes, local governments, the private sector, regional business, nonprofit, community, and philanthropic organizations, and the public.

These decisions will and should be made by local communities. That is how we build truly vibrant and sustainable communities.

This is not something that can be accomplished overnight and it will require cooperation among all the parties I mentioned, as well as from Congress. Indeed, one critical piece of this puzzle is to get a significant supplemental appropriation from Congress literally in the next few weeks. The administration will be submitting its proposal this week. There are thousands of families and businesses whose lives are on hold as they wait for this help.

Having seen the courage, resiliency, and cooperative efforts of the people and communities impacted by this storm, I am confident that if we make it a priority we can and will rebuild this region stronger and smarter. I know we can count on your help.

PREPARED STATEMENT

I thank the subcommittee again for this opportunity to testify today and I'd be happy to answer any of your questions after Administrator Fugate's testimony.

[The statement follows:]

PREPARED STATEMENT OF HON. SHAUN DONOVAN

Chairman Landrieu, Ranking Member Coats, and members of the subcommittee, thank you for the opportunity to testify today regarding response and recovery to Hurricane Sandy, including both the progress we have made and the challenges that we face.

Hurricane Sandy and the nor'easter that followed have had immense and varied impacts in New York, New Jersey, Connecticut, West Virginia, Maryland, Delaware, Rhode Island, and a number of other States. Within the United States, the hurricane itself resulted in 121 confirmed fatalities, major flooding, structural damage, and power loss to over 8.5 million homes and businesses, directly affecting more than 17 million people. As a consequence of the combined effect of the storm, hundreds of thousands of residents left their homes and sought shelter from as far south as North Carolina, as far north as New Hampshire, and as far west as Indiana. Especially hard hit were New York and New Jersey, which are critical economic engines of our Nation. These two States employ 12.7 million workers, accounting for about 10 percent of U.S. payroll employment. They export about \$90 billion in goods annually, accounting for about 7 percent of such exports, and contributed \$1.4 trillion to our gross domestic product (GDP) in 2011, accounting for more than 11 percent of GDP. Thus, recovery and rebuilding is not only a State and local priority, but a crucial national priority.

In addition to my concern as a citizen and as a member of this administration, this is personal to me. I grew up in the region. I was born and raised in New York and worked on housing issues there, including serving as Mayor Bloomberg's Commissioner of the New York City Department of Housing Preservation and Development. I also worked on housing issues for Prudential Mortgage Capital in New Jersey, and married a Jersey girl in New Jersey. Many of my friends have been directly affected by the storm's devastation. In light of my deep roots in the region, I am particularly concerned with the devastation that Sandy has caused, and especially honored to have the opportunity to help with recovery and rebuilding efforts.

I have already been to the affected areas on five trips over 9 days since Sandy, including my trip with the President and Secretary Napolitano on November 15. I have seen much of the damage first hand, talked with State and local officials and citizens living with the aftermath of the storm, had discussions with Senators and Representatives from the area, including those who are here today, and have met with other Federal officials working on the recovery effort, including our wonderful Federal Emergency Management Administration (FEMA) Administrator Craig Fugate. There is a lot to do, and it has already begun.

I have also talked to many who have been engaged in rescue and support efforts in the storm's aftermath and demonstrated extraordinary dedication and courage. Just as remarkable are the actions by average people I have spoken with—individuals who have demonstrated a different brand of heroism by simply reaching out to help their neighbors, even as they were facing their own losses. I have seen courage and determination that inspires me and my colleagues to work even harder, respond quicker, and develop more creative solutions.

In my testimony today, I will describe HUD's participation in the ongoing response and focus on recovery efforts concerning the storm, as we have done with respect to other such disasters, in close cooperation with our colleagues at FEMA and other agencies. I will also discuss the role that the President has asked me to play with respect to Federal rebuilding efforts.

HUD'S PARTICIPATION IN ONGOING RESPONSE AND FOCUS ON RECOVERY EFFORTS

Unfortunately, one of the major effects of storms like Sandy is destruction and damage to the homes and apartments where people live, and the displacement of numerous families and individuals. Accordingly, HUD has played a significant role in response to and recovery from past major storms, and is doing so with respect to Sandy as well.

Before I describe some of HUD's activities, it is important to note the unprecedented cooperation that is taking place among Federal, State, local, and tribal authorities. HUD, FEMA, and other parts of the Department of Homeland Security (DHS), as well as the Departments of Transportation and Health and Human Services plus the Small Business Administration and the Army Corps of Engineers, are all in place and working together. We are all coordinating our work with State, local, and tribal officials, who are doing a truly herculean job on the response and recovery. This unprecedented level of cooperation and partnership is how we will continue to speed the recovery and related efforts to the most affected areas.

A key HUD priority has been providing immediate help to storm-displaced families to find temporary replacement housing, whether they were displaced from pri-

vate or government-assisted housing. We have identified thousands of housing units, including more than 12,000 available units in HUD-assisted housing, and have been getting that information to displaced individuals. We also are allowing providers of housing for seniors the flexibility to open up vacant units to storm evacuees.

HUD has also focused on help to persons living in and owners of HUD-assisted housing damaged or destroyed by the storm. This includes, for example, helping to temporarily house-displaced persons, getting boilers and generators to impacted developments that house low-income families, and waiving administrative requirements (while ensuring appropriate safeguards) so as to facilitate the rapid delivery of safe and decent housing to displaced PHA and multifamily housing residents. We have also increased fair market rental allowances to make it easier for displaced Section 8 voucher recipients to find replacement housing.

HUD is working to encourage the private sector to help displaced families. Shortly after the storm, I reached out to several private sector organizations to encourage their involvement in this effort, and a number have stepped forward at least partially as a result. This recognizes the importance of engagement by the private sector as well as government in relief efforts. For example, Angie's List is providing free, 1-year memberships to 1,000 homeowners in the New York City tri-State area to help with Sandy relief by making it easier for families to find local contractors, auto repair specialists, and healthcare professionals who are highly rated by other consumers. Walk Score has launched a Web site to support people in search of temporary housing after Sandy. HotelTonight recently announced a \$60,000 contribution to the American Red Cross to support relief efforts for Sandy victims, and will donate 10 percent of its net revenues in New York City for the month of November to the Red Cross for this purpose.

We have deployed HUD personnel to help staff FEMA Disaster Recovery Centers and do other storm-related work. This has included providing local housing resource help, program information, and other help to storm victims, mobilizing special needs providers from other States to assist families in shelters, participating on State-led Disaster Housing Task Forces in New York and New Jersey, and activating our Northeast network of field offices to communicate daily with impacted PHAs.

There are more than 200,000 homeowners with FHA-insured mortgages in the affected areas in New York, New Jersey, and Connecticut. HUD has provided foreclosure protection for storm victims with FHA-insured mortgages through a mandatory 90-day moratorium on foreclosures.

We are also offering assistance to storm victims who must rebuild or replace their homes. In particular, FHA insurance is available to such disaster victims who seek new mortgages, and borrowers from participating FHA-approved lenders are eligible for 100-percent financing, including closing costs. HUD is also directing banks to provide insurance payments they receive related to the storm directly to homeowners, in order to avoid the problem that occurred after Hurricane Katrina where some mortgage companies used some insurance payments that were supposed to be used to rebuild damaged homes for other purposes. Senator Landrieu, I know that this was a particular concern of yours after Hurricanes Katrina and Rita, and I am very pleased that we have been able to take this step. HUD is working to get information on these and other assistance opportunities to affected homeowners.

HUD is also providing help to affected State and local governments and tribes. For example, we have provided waivers of existing rules so that existing Federal Community Development Block Grant (CDBG) and HOME funds can be used for disaster relief. Collectively, the CDBG and HOME grant programs allow grantees to meet a broad range of needs, including housing, economic development, infrastructure, and the provision of public services. We are also working with State and local governments and tribes to develop interim housing plans and to provide loan guarantees for housing rehabilitation.

THE PRESIDENT'S ANNOUNCEMENT OF SECRETARY DONOVAN TO LEAD FEDERAL REBUILDING EFFORTS

As you know, on November 15, President Obama announced that I will lead coordination of the Federal action relating to Hurricane Sandy rebuilding efforts consistent with the National Disaster Recovery Framework (NDRF). I am honored to have been asked to carry out that function, particularly in light of my deep roots in the affected areas. This role is different from and in addition to the role that I usually carry out with respect to disasters as HUD Secretary. In understanding my role in relation to the NDRF, it is important to understand the NDRF and how it was developed.

Early in his first term, President Obama recognized that previous experience concerning Hurricane Katrina and other disasters highlighted the need for additional

guidance, structure, and support to improve how we as a Nation address disaster-related recovery and rebuilding challenges. In September 2009, President Obama charged Secretary Napolitano and me to lead work on this effort and to establish a Long Term Disaster Recovery Working Group, composed of more than 20 Federal agencies. HUD, DHS, and the Working Group consulted closely with State and local governments as well as experts and stakeholders, and worked on improving the Nation's approach to disaster recovery and on developing operational guidance for recovery efforts. As a result, FEMA published a draft of the NDRF in 2010, carefully reviewed and considered more than 100 public comments, and the final version of the NDRF was published in September 2011.

The NDRF addresses the short, intermediate, and long-term challenges of managing disaster-related recovery and rebuilding. It recognizes the key role of State and local governments in such efforts, and sets forth flexible guidelines that enable Federal disaster recovery and restoration managers to operate in a unified and collaborative manner and to cooperate effectively with State and local governments. The NDRF defines core recovery principles; roles and responsibilities of recovery coordinators and other stakeholders; flexible and adaptable coordinating structures to align key roles and responsibilities and facilitate coordination and collaboration with State and local governments and others; and an overall process by which communities can capitalize on opportunities to rebuild stronger, smarter, and safer after a disaster. As one of the architects of NDRF, I am committed to it and look forward to helping carry it out.

My responsibilities in this role will occur in coordination with the NDRF and will involve cooperating closely with FEMA and the other agencies already involved in recovery efforts. The focus will be on coordinating Federal support as State and local governments identify priorities, design individual rebuilding plans, and over time begin implementation. I will be the Federal Government's primary lead on engaging with States, tribes, local governments, the private sector, regional business, non-profit, community, and philanthropic organizations, and the public on long-term Hurricane Sandy rebuilding.

Applying the principles set forth in the NDRF to our rebuilding efforts in response to the current crisis, we will support State and local governments as they create a process through which communities can rebuild stronger, smarter, safer, and more resiliently. This cannot and will not be a one-size-fits-all, top-down, Washington-knows-best project. That is why we will follow and work with those who know these communities best—the people who live and work in them. That is how truly vibrant and sustainable communities are rebuilt.

A key objective will be to cut red tape for State and local governments and tribes as they seek Federal assistance for longer term projects and identify priorities for community development. These areas of work will include housing, infrastructure systems, small business and local industry, health systems, social services, and natural and cultural resources.

One of my roles will be to help identify priority needs for long-term rebuilding by working directly with State, local, and tribal authorities to communicate priorities to Washington. There is significant need, including supporting small business through disaster loans and other relief; rebuilding homes while creating safer, more responsible building codes; restoring and protecting the environment; and building better and stronger infrastructure. I will serve as the principal point of contact for the President and his senior advisors, and will be focused on providing effective, integrated, and fiscally responsible support from across the Federal Government to support States, local governments, tribes, the private sector, and faith-based and other community organizations in the rebuilding effort.

Work on the structure and functioning of this new effort is proceeding rapidly. As I have mentioned, I have already met with a number of the most directly affected Federal, State and local officials, and I am looking forward to working with this subcommittee and other Senators and Representatives on this important effort.

Thank you again for the opportunity to testify today. I would be pleased to answer any questions you may have.

Senator LANDRIEU. Thank you, Secretary, for that strong statement.

In my opinion the President could not have appointed a better person to lead the long-term recovery, and I mean that, not in the private sector, not in the public sector. You are most certainly able and obviously enthusiastic and capable. So thank you very much.

Secretary DONOVAN. Thank you, Senator.

Senator LANDRIEU. Administrator Fugate.

STATEMENT OF CRAIG FUGATE, ADMINISTRATOR, FEDERAL EMERGENCY MANAGEMENT AGENCY, DEPARTMENT OF HOMELAND SECURITY

Mr. FUGATE. Madam Chair, Ranking Member, and Senators: You took some action last year that has enabled us to respond. You took action after Hurricane Katrina to ensure that FEMA had the capability to respond. Most notably, last year it was the decision of Congress to fully fund the Disaster Relief Fund (DRF) versus requiring supplementals to deal with the ongoing disasters. That has positioned FEMA to right now have a current balance in the DRF of more than \$4 billion. So we are able to continue response not only to the impacts of Hurricane Sandy, but previous disasters. It is not a limiting factor.

NATIONAL RECOVERY FRAMEWORK

However, as Secretary Donovan points out, it is a finite resource and, based upon the damages that have occurred, will require a supplemental in this fiscal year. Not only that. As Secretary Donovan points out and as you've heard from many Senators, much of the impacts of Hurricane Sandy go far beyond FEMA programs. We have major transit issues.

There are going to be significant challenges with housing. As was pointed out, FEMA's assistance in housing is limited. The maximum benefits an individual family could receive is about \$31,000 if they have no insurance. Obviously that's not going to rebuild destroyed or damaged homes that didn't have insurance. We can provide renters assistance for up to 18 months. But obviously if there's no homes for people to move into, then that continues as a burden to the taxpayer.

That's why we felt it was very important that we implement the National Recovery Framework. We are very supportive of the President's decision to have a Cabinet Secretary, particularly in Secretary Donovan, a partner to lead that because it recognizes, while FEMA has primary roles in repair of damages caused by the storm and to a certain degree helping to mitigate future impacts, much of the infrastructure, preexisting condition, and long-term housing needs are best addressed through existing or authorized programs that will need more funding.

So again, as we look at the supplemental we are not just looking at the DRF and we're not just looking at HUD. We're looking at the whole range of Federal programs that are going to be required to successfully recover these communities and restore them to sustainable economies.

Part of the Post-Katrina Reform Act actually laid the groundwork for this, Madam Chair. There would have been no Disaster Recovery Framework unless Congress had directed it. There would have been no framework for Secretary Donovan to begin with. So again, the legacies of Hurricane Katrina still echo in Hurricane Sandy's response. Tools that we did not have we now have.

Another tool we did not have was the teams to send in before the storm hit. Previously it was oftentimes seen that we'd have to wait for Governors to experience total devastation before they would be

able to ask for assistance, before the Federal Government could respond. Congress clarified that is not the case. We had incident management teams in States as far south as North Carolina all up to the Maine coast, as inland as Pennsylvania and into Vermont. That capability did not exist during Hurricane Katrina—again, the legacy of the work that Congress did, many of you as Senators having dealt with your own States building that capability.

Supplies were moved ahead of time, oftentimes because we weren't certain where the actual damages would occur, but we weren't going to wait. The President's direction to us was again to cut through and push resources as fast as we could, in some cases resulting in declarations the night the storm came ashore, to ensure that individual assistance and other programs were turned on.

We're not quite past 30 days from the storm and, to give you some magnitude, more than \$1 billion has already been authorized for temporary renters assistance and repairs to survivors and the areas declared. We know that there are survivors that have not received Federal assistance. Senator, my commitment is to call Governor O'Malley.

When we deal with small populations in large States, there are sometimes challenges that don't meet a threshold that overwhelms a State's capability. But I've also learned that, independent of that Federal disaster declaration, FEMA can and has done more to support the Governor by bringing resources together and helping to match up the needs of the citizens. I never look at people's homes being destroyed on the basis of whether it was Presidentially Declared or not. The tragedy is to the homeowners themselves.

PREPARED STATEMENT

So my commitment, Senator, is to continue to work with the Governor as hard as I can if we can get the Federal assistance. If it's not dollars, though, it will be people, and we will work what the unmet needs are and work with our partner agencies, because I don't judge disasters by whether they're declared; I judge them by the needs of the State.

Madam Chair.

[The statement follows:]

PREPARED STATEMENT OF CRAIG FUGATE

INTRODUCTION

Good morning, Chairwoman Landrieu, Ranking Member Coats, and other distinguished members of the subcommittee. I am Craig Fugate, Administrator of the Federal Emergency Management Agency (FEMA), and I am grateful for the opportunity to speak here today.

I look forward to discussing the preparations that took place before Hurricane Sandy made landfall, the coordinated response that took place during the storm and continues today, and the recovery efforts that are before us.

Hurricane Sandy was the 18th named storm of the 2012 hurricane season, and the 10th hurricane. A high-pressure pattern over northern New England coupled with a strong mid-level trough moving east from the Midwest were the two primary features that established Sandy's eventual landfall trajectory into southern New Jersey on the evening of October 29. With tropical-force winds reaching out 580 miles, Sandy was the second-largest Atlantic storm on record. Hurricane Sandy affected the east coast, from North Carolina to Maine, particularly lashing the New Jersey and New York coasts with heavy rain, winds, snow, and a record storm surge. Additionally, Sandy affected States as far inland as West Virginia, Ohio, and Indiana.

In the days leading up to landfall of Hurricane Sandy, FEMA worked with the whole community to support our citizens and first responders as they prepared for the storm. By leaning forward, the agency was able to support a prompt, coordinated response effort while effectively understanding the needs of survivors and planning for future needs.

PREPARATIONS FOR HURRICANE SANDY

FEMA's regional offices have worked closely with the State, local, and tribal governments across the country—including those directly in Sandy's path—to develop catastrophic, worst case scenario plans that are flexible and scalable for incidents of all magnitudes. FEMA's ongoing partnership with States allows coordination and collaboration with the whole community to plan and prepare for a range of disaster events.

In the days immediately before Sandy reached the east coast, FEMA worked closely with the Department of Commerce's National Hurricane Center and based pre-landfall decisions on their predicted storm track and intensity, and engaged threatened communities to stage resources that would support response efforts that began as soon as conditions were safe. FEMA and the Department of Defense (DOD) established incident support bases (ISBs) in Westover Air Reserve Base, Massachusetts, and Joint Base McGuire-Dix-Lakehurst, New Jersey, to pre-position supplies, water, meals, cots, blankets, generators, and communications vehicles. In addition to the ISBs, five Federal Staging Areas were established in New York. To date, FEMA has shipped over 16 million liters of water, almost 14 million meals, and over 1.5 million blankets to affected States.

FEMA maintains commodities—including millions of liters of water, millions of meals and hundreds of thousands of blankets—strategically located at distribution centers throughout the United States and its territories, including Atlanta, Georgia, and Frederick, Maryland. The maintenance of these commodities helps facilitate rapid staging and distribution of needed items to address disaster situations.

In preparation for the storm, FEMA deployed liaison officers and incident management assessment teams (IMATs) to emergency operation centers (EOCs) in Connecticut, the District of Columbia, Maine, Maryland, Massachusetts, New Jersey, New York, Pennsylvania, Rhode Island, Virginia, and Vermont. Federal coordinating officers (FCOs) and Federal Disaster Recovery Coordinators were quickly deployed as well to organize the FEMA and Federal response from the field.

On Saturday, October 27, 2012, the National Response Coordination Center (NRCC) activated in support of first responders and the response mission. The NRCC, located at FEMA headquarters, provides overall coordination of the Federal response by bringing together Federal departments and agencies to assist in the preparations for and response to disasters.

COORDINATED RESPONSE AND RECOVERY EFFORTS

On October 28, 2012, the President authorized emergency declarations for Connecticut, District of Columbia, Maryland, Massachusetts, New Jersey, and New York. On October 29, 2012, the President authorized emergency declarations for Delaware, Pennsylvania, Rhode Island, and Virginia. Initially, these declarations authorized FEMA to provide direct Federal assistance for emergency protective measures. The President later authorized major disaster declarations for Connecticut, Delaware, Maryland, New Hampshire, New Jersey, New York, Rhode Island, Virginia, and West Virginia. These declarations provide declared counties and States assistance with emergency work and debris removal as well as access to FEMA programs, most notably Individual Assistance, Public Assistance, and the Hazard Mitigation Grant Program which provide assistance to individuals, local and State governments following a disaster.

By Sunday, October 28, there were 1,032 FEMA personnel deployed in anticipation of Hurricane Sandy's impacts. Approximately 1 week after the storm, on November 6, there were 5,384 FEMA personnel deployed in support of Sandy. On November 6, approximately 2 weeks after Sandy's landfall, there were 7,770 FEMA personnel deployed to more than 11 States and the District of Columbia in support of survivors. At the peak of the response efforts, more than 17,000 Federal personnel, and over 11,000 national guardsmen were on the ground assisting with response.

FEMA and its emergency management partners facilitated the provision of shelters, disaster recovery centers (DRCs), points of distribution (PODs), and joint field offices (JFOs) in the affected areas. As of November 28, 78 Disaster Recovery Centers were operating in States affected by Sandy. Hundreds of thousands of disaster survivors have reached out to FEMA and its partners for aid during this time.

DISASTER RELIEF FUND

FEMA was appropriated \$7.1 billion for the Disaster Relief Fund (DRF) in fiscal year 2012—\$700 million for all activities authorized under the Stafford Act, and \$6.4 billion exclusively for major disasters.

As of November 26, more than \$1.93 billion has been obligated out of the DRF for FEMA's response and recovery efforts related to Sandy. There are sufficient resources in the DRF to respond to the immediate needs and impacts of the storm. The administration is strongly committed to recovery and working with Congress to help communities recover and rebuild.

INDIVIDUAL ASSISTANCE

The Individuals and Households program, which provides assistance to homeowners and renters for housing and other needs, has seen a number of registrations as a result of Hurricane Sandy. Individual Assistance can include grants for temporary housing and home repairs, low-cost loans to cover uninsured property losses and other programs to help individuals and business owners recover from the effects of the disaster. As December 3, New York had 241,318 registrations and FEMA has provided over \$732,942,000 in disaster aid. More than 238,353 New Jersey residents have applied for aid and FEMA has provided over \$272 million in disaster aid. For all Sandy declarations, there are over 490,000 applicants, and FEMA has provided over \$1 billion in disaster aid.

PUBLIC ASSISTANCE

In addition to assistance for emergency protective measures and debris removal, Public Assistance provides funding for the repair, restoration, reconstruction, or replacement of infrastructure that is damaged or destroyed by a disaster. Eligible applicants include State, local, and tribal governments. Certain private nonprofit (PNP) organizations that provide governmental services may also receive assistance. Based on the needs identified by an applicant, a project worksheet (PW) is prepared for each project to provide funding to repair disaster damaged infrastructure or help pay for the emergency costs of responding to the incident. FEMA reviews and approves the PWs and obligates the Federal share of the costs (which is typically 75 percent Federal funding) to the State. The State then disburses funds to local applicants.

As of November 27, 667 requests for public assistance (RPAs) have been received. FEMA's Public Assistance branch is working closely with New York State partners to proceed with recovery and reimbursement efforts.

In New Jersey, as of November 26, 890 RPAs have been submitted in New Jersey. In New Jersey, additionally, \$29 million has been obligated to reimburse the New Jersey Department of Human Services for providing temporary housing and resources for electrical crews working to restore power. FEMA will continue to work closely with the State of New Jersey on recovery and reimbursements under the Public Assistance Program.

FEMA is working closely with its partners to proceed to project formulation and project worksheet preparation to address damages caused by Sandy. One of the ways in which FEMA is able to provide financial reimbursements to local governments more quickly in order to help the local communities recover is through expedited payments. These are commonly referred to as expedited PWs. FEMA will obligate a portion of the Federal share of the estimated cost of work under category A (debris removal) and category B (emergency protective measures) as estimated during the preliminary damage assessment.

HAZARD MITIGATION GRANT PROGRAM

The Hazard Mitigation Grant Program (HMGP) assists in implementing long-term hazard mitigation measures following major disaster declarations. Funding is available to implement projects in accordance with State, tribal, and local priorities. HMGP funds may be used to fund projects that will reduce or eliminate the losses from future disasters. Eligible applicants include State, local, and tribal governments as well as certain nonprofit organizations. Individual homeowners and businesses may not apply directly to the program; however, a community may apply on their behalf. Following a disaster declaration, the State will advertise that HMGP funding is available to fund mitigation projects in the State. Those interested in applying to the HMGP should contact their local or tribal government to begin the application process. Local governments should contact their State hazard mitigation officer (SHMO). Tribal governments can contact the SHMO or FEMA directly.

In both New York and New Jersey, FEMA mitigation staff has met and continues to work closely with the SHMOs to discuss the States' hazard mitigation plans, types of projects available, and how best to proceed within that framework.

FEMA recognizes that mitigation is an essential component to national preparedness and emergency management. Working closely with the whole community, before, during and, after a disaster allows States and communities to plan and invest wisely into critical projects that save not only money, but most critically, lives.

INFRASTRUCTURE

Sandy had varied effects on the infrastructure of the affected States. Following the storm's landfall, more than 8.5 million customers were without power, many roads were impassible, tunnels were flooded, and mass transit was significantly affected. FEMA's immediate focus was on the life and safety of individuals, followed by power restoration and community stabilization.

As I have stated many times, FEMA is only part of the emergency management team. Our partners include other Federal agencies, local, tribal, and State governments, the private sector, voluntary agencies, and individuals. While we coordinate the Federal response in support of State, local, and tribal efforts, we are not the entire response. Mission assignments to our Federal partners, such as DOD, including the U.S. Army Corps of Engineers (USACE), the United States Coast Guard (USCG), Health and Human Services (HHS), Department of Energy (DOE), and Department of Transportation (DOT), were vital to the response and recovery efforts.

The communications infrastructure was critical before, during, and after the storm. Prior to the storm, the Disaster Emergency Communications (DEC) team established communications support at the State EOCs along the east coast. The Mobile Emergency Response Support (MERS) helped establish more than 85 radio networks on FEMA's National Response Network (NRN) to enable mission-critical voice operability and interoperability for responder personnel across all levels of government in support of the Whole Community Framework. These networks spanned from Maine to West Virginia and provided radio capabilities for convoys, incident area operations (including search and rescue and other Federal responder teams), and providing communications at field facilities, such as interim operating facilities (IOFs) and joint field offices (JFOs). Following the disaster, MERS planned, executed, and supplied communications availability for two 1,000-person JFOs, more than 50 DRCs, and other critical response missions. In DRCs, the satellite capability not only supported the DRC intake mission, but provided survivors access to free wireless Internet. These communications efforts supported not only FEMA and its Federal Government partners, but also, State and local governments, first responders, and most importantly, the survivors.

Transportation in the affected area was heavily impacted by damage to public transit and fuel shortages following Sandy. To restore public transit, FEMA mission assigned USACE an un-watering mission to assist with response efforts in areas that flooded. USACE deployed the 249th Engineer Battalion and other temporary emergency power assets to provide support to areas impacted by the storm. USACE pumped water from several critical infrastructure points in greater New York City and New Jersey. These included the Brooklyn—Battery Tunnel and the Queens—Midtown Tunnel, along with several other tunnels and tracks. And, today, to support FEMA's efforts to assess the true nature of the damage to the region's public transit systems, the DOT's Federal Transit Administration has been mission assigned to put project management oversight contractors on the ground to assess the damage and to verify the assessments presented by the States of New York and New Jersey.

As a result of the fuel shortages that occurred in New York and New Jersey, fuel distribution points for first responders were established so that response efforts could continue. Integral emergency management partners, such as the USCG and DOD, trucked and shipped gas to New York and New Jersey to help alleviate the shortage. To support fuel operations, FEMA's energy task force procured and distributed fuel to first responders and the public, assessed gas stations without power and/or fuel, and provided public information on fuel distribution. In support of this effort, DOD's Defense Logistics Agency provided approximately 9.3 million gallons of fuel to more than 300 gas stations and first responder fueling depots. Ultimately, the fuel made available was distributed at the direction and discretion of the States, based on their determined needs and priorities.

We recognize that restoring power is an essential step to response and recovery. DOE reported peak outages of 8,511,251 customers as Sandy affected the east coast. Approximately a week later, on November 6, fewer than 1 million customers were without power. As mentioned earlier, FEMA is not the only Federal agency that re-

sponds to a disaster. At the direction of the President, a national power restoration working group was established on October 31 to cut through red tape; increase Federal, State, tribal, local, and private sector coordination; and restore power to people as quickly as possible. For example, in some 68 flights from the west coast to the east coast, DOD's U.S. Transportation Command airlifted approximately 225 power restoration vehicles, six generators, 15 trucks, five trailers, and more than 400 personnel to help the effort to restore power. This working group includes DOD, DOT, DOE, USACE, DHS's Office of Infrastructure Protection and the Homeland and Infrastructure Threat and Risk Analysis Center, and representatives from local law enforcement.

FEMA continues its power restoration efforts in new and innovative ways, specifically through the Sheltering and Temporary Essential Power (STEP) program. The program repairs storm-damaged electrical meters; provides essential electricity, heat, and hot water; and protects storm-damaged residences with temporary exterior repairs.

HOUSING PLANS/RECOVERY

Housing in many communities was significantly impacted due to the widespread effects of Sandy. FEMA convened the Hurricane Sandy Catastrophic Disaster Housing Task Force (task force) on November 6, 2012, to address housing issues in support of State and field operations. The task force has and continues to develop guidance and options based on the Catastrophic Housing Annex (the Annex) dated August 12, 2012.

As all disasters are local, each community and State faces different challenges. The State-led Disaster Housing Task Forces in New York and New Jersey involve a collaborative approach to addressing the temporary housing and long-term needs of the disaster survivors, including the collection of available rental resources, projecting housing needs and exploring other options. Task Forces include representatives from State, local, and voluntary agencies, and Federal partners including FEMA, the Department of Housing and Urban Development (HUD), the United States Army Corps of Engineers, the Small Business Administration (SBA), the Department of Veterans Affairs (VA), and the United States Department of Agriculture (USDA). The teams are working together to ensure they are making the greatest use of existing housing resources (such as apartments and rental units), enlisting voluntary agencies to make minor repairs so survivors can remain in their homes, and investigating other temporary housing options suitable for the area.

Through the State-led Disaster Housing Task Forces, affected States are taking the lead to identify their local needs. The task forces in New York and New Jersey involve a collaborative approach to addressing the temporary housing and long-term needs of the disaster survivors, including the collection of available rental resources, projecting housing needs and exploring other options.

As an example, one form of assistance requested by New York and New Jersey is a rapid repair program through STEP. Under this program, announced on November 9, 2012, the city, county, and FEMA reached out to residents directly to offer: Residential Electrical Meter Repairs, Shelter Essential Measures, and Rapid Temporary Exterior Repairs. The intent of STEP is to meet immediate life-sustaining needs so survivors can stay in or return to their homes and shelter in place until more permanent home repairs can be made.

Additionally, at the request of New York and New Jersey, FEMA activated the Transitional Sheltering Assistance (TSA) program, which allows eligible survivors who are in shelters and cannot return to their homes due to storm-related damages to stay in participating hotels or motels until more suitable housing accommodations are available. FEMA also provides Housing Rental Assistance. If a home cannot be repaired easily to safe and sanitary conditions, then local rental resources are the preferred first choice for housing disaster survivors as they recover. FEMA authorized funds to increase the amount of rental assistance that it may provide eligible disaster survivors in New York and New Jersey to 125 percent. This increase will be implemented when a survivor is recertified for a continued need for temporary housing assistance. The approved increase is expected to make an additional 1,800 rental resources available for temporary housing of disaster-impacted families.

As we move forward in the Response and Recovery missions after Hurricane Sandy, we will continue to work with the State-led Disaster Housing Task Forces to provide the forms of temporary housing assistance that best meet the needs of the survivors.

On Thursday, November 15, the President announced that he has asked Housing and Urban Development Secretary Shaun Donovan to continue to work closely with Governors, mayors and local officials of New Jersey and New York as they begin

the process of identifying redevelopment plans for affected communities. HUD is already an integral partner in the Response and Recovery of areas affected by disasters. We work closely with HUD to identify housing resources, provide the best housing support to disaster survivors, and serve as a crucial base of knowledge and guidance in disaster housing missions. FEMA looks forward to supporting Secretary Donovan in his mission and HUD's continued support of FEMA as we respond to and recover from Sandy.

CONCLUSION

FEMA will continue to work closely with the whole community, including our State, local, and tribal government partners, Secretary Donovan, HUD and other Federal partners as the response and recovery efforts move forward. FEMA recognizes that we must look to local, tribal, and State leaders, as well as the whole community, to ensure that FEMA is able to provide disaster survivors with the assistance they need during the road to recovery.

Thank you Chairwoman Landrieu for providing me this opportunity to appear before you today to discuss preparations that took place in advance of Hurricane Sandy, the coordination that occurred throughout the storm, and the recovery efforts that remain in-progress. I look forward to answering questions you or other members of the subcommittee may have.

Senator LANDRIEU. Thank you, Administrator Fugate.

Let me be quick to thank my ranking member and my vice chair for their really extraordinary efforts to help last year as we fought for the funding necessary for FEMA to be ready to respond to a disaster. Of course, this was prior to Hurricane Sandy striking and other disasters. We did not know that another catastrophic storm would hit. But your testimony this morning indicates that that money has come in handy. In the event that we had not done that, I guess all future recovery efforts—or present recovery efforts in the Nation would have had to stop while whatever little money that was left in the fund would have been moved to Hurricane Sandy, and that probably would not have been enough.

So I want to thank this subcommittee for their strong advocacy. While it's not of great consolation or complete consolation to people who have lost their homes and businesses, at least it is something that the money was there so that we could undertake this great response effort that the Nation has been under for the last few weeks.

Secretary Donovan, let me ask you this, however. With that fund balance now being down to \$4 billion and the challenge as you have described so eloquently this morning before you, could you take a minute to describe the consequences of what would happen if Congress does not provide a supplemental going forward in the next few weeks?

What would the impact of that be? I don't even really want to think about it, but I think for the record we need to get your views on that this morning.

DELAYED FUNDING

Secretary DONOVAN. It's an absolutely critical question, as we welcome Senator Murray here. Good to see you.

Administrator Fugate I think began to answer that question with a very, very important point. No matter—obviously, FEMA will need further resources at some point. But even if they had unlimited resources, there are constraints on what FEMA can do, legislative restraints, that will stop in their tracks homeowners and communities from rebuilding.

A homeowner that is waiting for a decision about whether they will have more than \$31,000 to rebuild literally cannot get on with their life if there is not a decision about whether CDBG resources would be available in a supplemental. Similarly, a small business has access to assistance from SBA, the Small Business Administration, but they too are limited. In fact, ironically, what we often see is that because SBA has loan programs the smaller businesses that, because their neighborhoods are destroyed or deeply damaged, their prospects are shaky at this point. Supporting a loan, even if they could do it before the storm, is going to be impossible after the storm.

So we have thousands of small businesses that literally are stopped in their tracks with the decision of whether they could rebuild or not and support jobs in those communities until a supplemental is decided. Those are decisions that need to be made not 6 months from now, but literally in the next few weeks for those communities and those people, those families, those businesses, to be able to move on.

I would also just add that this goes beyond just those types of decisions. We all know and Senator Lautenberg could attest to how important the economy of the shore is in New Jersey, and whether or not we are able to move quickly enough to restore the small businesses that support jobs in those places for the summer season is a decision that, if we wait now, if we don't have a supplemental, and that summer season is missed, it will be an entire other year for those businesses before they can begin to recover, and that may be the death of many of those businesses.

I would also say there was eloquent testimony this morning and I think many of you mentioned the importance of mitigation. That is something that will be an important part of what we are focused on and I will be focused on. But as we plan literally in the next few weeks and months on how to rebuild the infrastructure of the region, decisions will be made about whether we rebuild smarter or stronger, and we can't go back and restart those plans 6 months from now.

So knowing now what resources are available to be able to do those smart mitigation measures as we rebuild infrastructure is critically important for not delaying those plans for rebuilding.

PUBLIC ASSISTANCE REFORMS

Senator LANDRIEU. Thank you.

Administrator Fugate, let me ask you this. Senator Cochran and I worked hand in hand after Hurricanes Katrina and Rita over the last few years to streamline public assistance. Witnesses from both our States presented testimony to House Transportation and Infrastructure Committee yesterday calling for reforms. Senator Cochran had some folks from Mississippi; we had some folks from Louisiana there.

I'm interested in specifically how these reforms will be implemented, what difference they will make. Can you give us a few examples in just the minute left about how some of these reforms will aid in the recovery if we can provide these tools for you—advance funding, global settlements, arbitration, etcetera? You said something in your opening statement, but could you elaborate?

REFORM DISASTER ASSISTANCE

Mr. FUGATE. I think most importantly we are using flexibility that's inherent in the Stafford Act in ways that was intended and not limiting ourselves. But there are some challenges. One is in doing estimates. We would very much like to go in and agree with local jurisdictions in the State, like a hospital. Charity is a good example, but with NYU and others in New York, there's like seven hospitals we're going to be looking at just in one area. It would make a lot more sense to me if we came up with a design phase, and that we would provide funding to come up with what it was going to take to do the repairs for the uninsured losses; then, rather than doing that as a reimbursement project, once we've agreed to those numbers, we would issue a final estimate.

The problem is that, in the Stafford Act, it refers to only actual costs, and there's always been the issue of what happens if we do that type of a block grant based upon a design-build phase? We're going to need some additional guidance from Congress as to how we do these types of estimates, what would happen to appeals, whether we need an arbitration. And also what happens to any funds that may remain after a project if they have economies and savings, would the applicant keep that?

Again, the savings to the Federal Government would be reducing the oversight, and, as you know, for many local governments, reimbursement slows them down because they have to either bond out or get authority to build. Being able to provide them a block grant on the front end would significantly reduce our overhead, our management cost, but it does introduce concerns about what happens if the project estimates were off in the beginning.

Senator LANDRIEU. Well, I'd like for this hearing, for you to submit as many of your suggestions for a smarter recovery and rebuilding to this subcommittee as soon as possible.

Mr. Coats.

Senator COATS. Well, thank you.

This is quite a morning and we've got quite a challenge here without question. I do, Madam Chairman, have some questions that I would like to submit to Secretary Donovan and Administrator Fugate. But I don't want to take my time here, but with your permission I'll submit those questions and you can get answers back to us.

I want to focus now on not just the funding needed for the recovery portion of this, the response and recovery, but I think if there's a common theme throughout the morning's testimony by the various Senators it is that, how do we get beyond just the basics of recovery and restoration to really the mitigation aspects, and the kind of challenge that we're looking at there relative to what could turn out to be an extraordinary cost.

When you look at the map that was presented here in terms of the extent of this storm, the population that lives within that red zone and purple zone, the density of construction, businesses, etcetera, we're talking about an enormous amount of money in order to do I think the mitigation that would be necessary to bring us into that so-called 21st century protection from what appears to

be ever-increasingly devastating storms. And we're not even talking about other types of disasters, terrorist attacks and so forth.

INVEST IN MITIGATION

So we have a real fiscal challenge here. I would just like to get your thinking to what your responses, what was going on in your head as the various Senators and all of us are basically saying, the smart thing to do is to use the lessons from Hurricanes Katrina, Irene, and now Sandy and other disasters in terms of the infrastructure changes and the changes necessary to mitigate and lessen future costs.

We've talked about dunes and restoration, we've talked about seawalls and we've talked about subways and underground—just wiring the east coast underground, given the density of the population here and the cost of doing that, is just mind-boggling. So how do we move forward from here?

I think this of course goes to the challenges you, Secretary, will have as you continue to work on the recovery—on the long-term plans for this kind of thing. So give us your general thoughts in terms of the enormity of this challenge?

Secretary DONOVAN. Senator, I would really mention three things here. The first, you know the old Hippocratic Oath: Our first job is to do no harm.

Senator COATS. Right.

Secretary DONOVAN. And I think Senator Landrieu and Administrator Fugate just began to talk about this, but we have to be smart. One of the things the President has said relentlessly to all of us on the Cabinet every time we've sat down with them on the response here and other disasters is: If there are regulations that stand in the way of doing smart things, cut the red tape. Provide waivers, do whatever's necessary, whether it's doing these kind of bulk settlements that allow, instead of rebuilding the school exactly where it was in Louisiana—in Mississippi, you'll certainly remember that we provided a lot of flexibility under a CDBG to do smart things in terms of rebuilding a port and other things in a way that was smarter than there was before.

So first and foremost, we have to find ways not at the Federal level to stand in the way of those smart decisions, but encourage them, and with whatever money we have that's going to allow that money to go farther and to be smarter.

Second, we will—and you will see when we provide our supplemental request from the administration this week. You will see that we propose to invest in mitigation. We know now studies from FEMA and elsewhere that for about every \$1 that we invest in mitigation we get \$4 back in avoided costs over time. That is something that we have to recognize as we go in.

So the Federal Government investing in these, recognizing the fiscal limits that we have, but investing in a smart way, making a specific part of this proposal in each of the areas that we go forward focused on mitigation is going to be important.

The third thing I would say—and this is I would hope part of the reason the President asked me to do this. You know, I've worked in the private sector in both New York and New Jersey and one of the things I know is that there is a real potential here, if we are

avoiding future costs, if we're avoiding higher insurance costs, if we're avoiding private sector costs in the future, there should be a way to capitalize the benefits in the future into private sector funding today.

So one of my principles in leading this is that the Federal Government should be a leader, not the only leader but a leader, in doing smart mitigation, but we have to look to our partners at the State and local level. We also need to look to the private sector to help leverage whatever funding we can provide to do these kind of smart things, because they're going to be the beneficiaries as well if we avoid this kind of damage from happening again.

MITIGATION

Senator COATS. Administrator Fugate do you want to comment on that?

Mr. FUGATE. Yes, Senator. I think we can show that in New Jersey, New York, Connecticut, and other areas, where we've used the flood insurance map programs to illustrate risk and homes were elevated, many of them had minimal damage and were able to be reoccupied when the power came back. Homes that weren't built elevated were oftentimes heavily damaged or destroyed.

That's not going to be the answer in dense populated areas like lower Manhattan. As we've seen with New Orleans, sometimes systemwide mitigation may be a more effective strategy than structure by structure.

I'd also caution about going underground. I seem to remember everything in Manhattan was underground, including a hospital's entire imaging unit and emergency room that were flooded by salt water and destroyed. So part of this again looks at where does it make sense to talk about this on a homeowner basis and where does it make sense to talk about hardening or mitigating.

Also with the science community, because, as the chairman has noted, there are many different ways across the world to deal with these types of issues. Most of ours have been really focused on residential by residential, and once you get into a dense urban area, that solution is not going to work. We have to really focus on that type of infrastructure and the best way to mitigate future damage.

Senator COATS. Thank you.

Senator LANDRIEU. Senator Lautenberg, questions?

Senator LAUTENBERG. Thanks very much, Madam Chairman. In your area, when Hurricane Katrina hit you showed what persistence did to make sure that your area was treated fairly. And even though I must tell you many of us weren't joyful to hear your requests, but nevertheless the outcome was great, and you have set an example for what has to be.

Our country has to be prepared to protect its borders, whether it's from military or other kinds of incursions or the establishment of a program that says that if you build here, you live here, that your roof should not be able to be taken away from you without the Government helping to restore things.

I commend Secretary Donovan. One of the questions that I thought about when I heard that you had this assignment was how much your youth had to do with this, because it may take a long time to solve the problem. But we commend you for your work.

Administrator Fugate, you and your people have established one thing, that when the call goes out that the country is there to help their people. And they're not only heroic, but they're willing to take on whatever assignments come along. It made us all feel pretty good.

Secretary, The Times reports that the President's going to request between \$45 and \$55 billion for Hurricane Sandy relief. Can you confirm a number here? You did say that we'll have more information before the week is out.

REQUEST FOR HURRICANE SANDY FUNDS

Secretary DONOVAN. Senator, I would just say I'm not sure where those reports are coming from. The facts are that we are still working on what our request will be. We do not have a specific number, and we will continue to work with you, with the Governors and the mayors to refine those numbers before they are submitted. But we do expect to submit something this week to Congress.

Senator LAUTENBERG. One thing I can tell you, that this picture without the USACE project, homes were destroyed all over the place. A couple of miles away, less than a couple miles, we see what happened as a consequence of the beach replenishment, the berms being established. There's almost no damage there. So it confirms what we already have seen in the past.

The fact is that none of the 50 States, not one, is exempt from a time when nature turns their back on them and creates problems that cannot be handled within normal State resources.

So we encourage you to understand that the number that's proposed is really important. I don't want to talk about good starts or things of that nature. That would be insulting to the entire project. But the fact of the matter is that we have to examine more of the resources available, how much of the relief can come from insurance coverage.

So we anxiously await, Mr. Secretary, the opportunity to examine what the proposal is. And I assure you, we're going to pull a Landrieu if we must.

Thank you very much.

Secretary DONOVAN. Senator, if I could just comment on that for a moment. First of all, I couldn't agree more and I think everyone who has visited the shore in New Jersey has seen the enormous differences between places that invested in these kind of mitigation and those that didn't, and has seen with their own eyes that mitigation can work and avoid far more costs later on.

I would also, though, mention, as Administrator Fugate did, that there are many places—almost everywhere that we invest in the recovery, we need to think about mitigation, whether it's elevating individual homes—that made an enormous difference. It's as we rebuild transportation infrastructure. So this is not just about a budget for the USACE. It is about a comprehensive approach in just about every program that we're taking on to think about mitigation.

The last thing I would just say is on the request. I want to make sure it's clear that one of the things that we're doing—New York and New Jersey put together, and other States put together, numbers for what they thought the damages were. Part of that is al-

ready covered by money that FEMA had at the time that the disaster happened, as well as some of those costs are going to be covered by insurance or others.

So I want to make sure—there's an \$80 billion number out there—that we're talking apples to apples as we bring forward our request. That's one of the things that we're doing right now, is saying, okay, among those \$80 billion in costs, which are already covered by existing resources at FEMA, in flood insurance, which are ones that need to be taken care of but will be taken care of by private insurance, and what is left for the Federal Government to have to cover? I think that's one thing that may have at this point sort of been missed in at least the way the press is looking at this, is that what the Governors gave us was not Congress has to pass \$82 billion. It's these are the damages; let's work with you to figure out what needs to be covered by the Federal Government.

FEMA APPROPRIATIONS—DISASTER RELIEF FUND

Mr. FUGATE. And Senator, Madam Chairman, as you understand, in the DRF we are still funding damages to Hurricane Katrina. So we understand that what we're asking for in a supplemental will actually be what we anticipate we will have to obligate in this fiscal year. It will require again looking at the DRF in each annual appropriation for out-year recovery costs, both to these and other disasters.

So the FEMA dollar, while people say, well, that may be a low number, it's not based upon the total damages. It's based upon what we expect we'll need in this fiscal year. And the way that you have set up the DRF is to fully appropriate those dollars based upon annual expenditures, not the total damages of a singular event.

Senator LANDRIEU. Thank you.

Senator COCHRAN. And I want to recognize that Senator Murray has joined us, and then we'll go to Senator Mikulski and then Senator Murray.

MISSISSIPPI

Senator COCHRAN. Madam Chairman, thank you very much.

I appreciate very much your willingness to convene our subcommittee and discuss issues relating to debris removal and all of the things that follow after a hurricane hits a region. The consequences of storms like Katrina and Sandy are overwhelming for the survivors. They complicate people's lives, destroy homes and businesses, and change the landscape. A lot of the destruction is not just to private property, but also to public infrastructure and Government facilities like training bases. As an example, I think about the special operations riverine training areas on the border of Louisiana and Mississippi. Removal of debris that Hurricane Katrina deposited in the Pearl River along our border with Louisiana has still not occurred nearly 7½ years after the event due to bureaucratic processes that have prevented the two FEMA regions from cooperating on such projects. Louisiana had funding available and was willing to use it on the Mississippi half of the river to remove debris, but FEMA told them they couldn't do it, even though it was obviously in the interest of the taxpayers to

combine the work. So the training of some of our Nation's best military forces along this river continues to be interrupted by Hurricane Katrina debris.

So Governor Haley Barbour probably wondered if it was something he said that made somebody mad or whether Senator Landrieu was just more eloquent in her plea for assistance.

Senator LANDRIEU. We have our ways.

Senator COCHRAN. I'm not saying that it was wrong to reimburse Louisiana and not Mississippi, but it sure does make you wonder, you know? Take a look at that and see if that process can't be reexamined in an effort to use common sense and fairness.

As you know, full recovery from a storm such as Hurricane Sandy doesn't happen very quickly. To address this, both Senator Landrieu and I introduced the Disaster Recovery Act late last year. Senator Landrieu and I worked very hard on it to try to implement some of the lessons learned from previous storms and I invite your attention to the challenges and solutions that we've identified here in the Senate on these issues. We look forward to your careful and thoughtful administration of this bill if it is enacted.

These things sometimes are not ended very quickly. Hurricane Katrina still hangs over us. I think that with Hurricane Sandy, there are opportunities to reexamine how the Federal Government addresses disaster recovery and to address adequate supplemental funding.

Thank you very much for all you're doing. We encourage you to use the FEMA funds that have and will continue to be provided as intended and as spelled out in the law.

If you find that there's something that we've left out or needs attention, don't be ashamed to call it to our attention. Thank you for appearing before our committees for these purposes as we go forward in trying to help the people recover from these terrible events.

Senator LANDRIEU. Thank you, Senator Cochran. And thank you for raising the issue of marine debris. That is going to be a huge issue for this coast in the Northeast, as it was in the gulf coast. And those rules and regulations are all tied up in knots. Let's use this opportunity to get that straight, because there are going to be lots of debris in these marshes, rivers, wetlands, and islands along this east coast, and it's just not necessary for people to suffer the way we did trying to get that debris because there are different jurisdictions, etcetera, etcetera.

So thank you for raising that. I want the staff to make a note of that so we can make sure we address that.

Senator Mikulski.

Senator MIKULSKI. Thank you very much, Madam Chair.

I don't want to pull a Landrieu. I'm going to pull with Landrieu to get the supplemental through.

Senator LAUTENBERG. Well, if you're not careful you'll have a Mikulski and that is worse, trust me, than a Landrieu. Trust me. You will be happy to have a Landrieu. Am I not right, Patty Murray?

But go ahead, Senator.

Senator MIKULSKI. Well, that was going to be my next sentence.

But really, I want to thank you and the ranking member. I think this has been a great hearing. Also, what you bring is experience

in this area, both as a Senator and a Louisianan, and a great sense of response, compassion, but also reform, understanding that we're in a frugal environment.

So we've got a big job. But I think if we work together out of moving on the supplemental we can institute reforms, respond in a very creative, compassionate way, and yet keep an eye on the bottom line. I think that's what the people of the country and those affected would want us to do.

Right now there is heartbreak in Maryland. But I do want to comment quickly on the things that are working. We do want to thank the President for issuing so quickly and promptly the general disaster declaration.

We want to thank Secretary Napolitano—I've spoken to her—on her availability.

To FEMA: You have been on the job and you also have declared that we're eligible for public assistance, and we want to thank you for that. Our problem is the individual assistance, and outcome.

And HUD: I never thought HUD would get high marks on the Eastern Shore, but you are, and also in other parts of the State where there is compelling need, in which you've responded particularly to the most vulnerable populations and those that are in assisted or subsidized housing.

Secretary DONOVAN. Thank you.

HELPING CITIZENS IMPACTED BY STORMS

Senator MIKULSKI. So we want to thank you for that.

We in Maryland—first of all, we're a water State. We have the ocean, we have the bay, we have rivers that feed the bay, like the Susquehanna, that could flood, and that terrible flooding, and the Potomac. We in Maryland, we're part of reform. I used to chair the funding of FEMA, so I'm a FEMA reformer.

We practice the three R's: Readiness, response, and now recovery. Readiness, I think it worked. It certainly worked in Maryland. Governor O'Malley with his insistence on excellence—we were ready. We were ready and we were resilient.

We also had what we call our beach replenishment on Ocean City. That protected \$2 billion worth of property because we did spend public money to protect private property. That worked.

But now we're into the recovery phase, and this—and the response was great. We had heroic people. Remember, we were hit by a hurricane on the shore and coming up our bay, all the way to the Inner Harbor and the port of Baltimore, and then we were hit by this blizzard in the western part of our State, which is the Appalachian State. We needed the National Guard to respond. We had State troopers and other emergency responders on snowmobiles going in to take care of the elderly and get them out to warmth and safety. So we did all that.

So now here we are. Now I'm going to just—a quick word about the shore. You've heard what they say: Rich in tradition and pride, hardworking in commercial fishing and agriculture, hit by a drought, hit by diesel fuel, hit often by what they consider unfair government regulations, cash poor, community spirit.

So my question—and an unemployment rate in that area that is among the highest in the State. You think of Baltimore City, but

it's at 9 percent—9 percent—and in some communities it's 30 percent. Sixty-two percent of the children are on school lunch programs.

So you get the picture. I mean, I could go through demographics.

Now, we know the regulations. Okay, there's the regulations. There's always the regulations. But my question to you, Mr. Fugate, and to you, Secretary Donovan—and I appreciated your compassionate remarks. It's not only how are we going to check the box, but how can we think outside of the box to do two things: one, help people get through, be eligible for assistance and to get through this very hard time; and then also, as you've talked, Secretary Donovan, be looking at our counties in terms of new opportunities for economic development and the restoration of livelihoods.

Could you comment on that?

Mr. FUGATE. Yes, Senator. There's kind of a joke in staff that I seem to have lived and grown up everywhere. I actually went to Town Creek Elementary School in Lexington Park, Maryland, when my dad was stationed at Patuxent River.

Senator MIKULSKI. Right. I think they still talk about you.

Mr. FUGATE. Yes, probably.

But I grew up as a kid on the Patuxent River. So I know exactly what you're talking about with the river community, people who make their living oystering and crabbing, the tourism. These are blue-collar communities. Just because you live near the water is not a sign that it's wealthy.

So our commitment is again—I sometimes struggle with when we say no because it's never easy, but it doesn't mean we're not going to work with the Governor and see what we can do. I think it's got to be based upon what the needs are. And if the FEMA programs are not going to work, it doesn't mean that we're going to walk away.

But I also think you pointed out some issues that I want to make sure the Governor captures that may elevate that expressed need, particularly the localized trauma and impact, as well as damages that may not have been there on the initial surveys, but have become a problem as more examination has been done. We'll work with the Governor on that. But we'll also continue to work to support the citizens who were impacted by the storm.

Secretary DONOVAN. Senator, I would just add to that that thinking outside the box is exactly right. We have one of the most flexible tools. As many of the Senators on the panel, including Senator Murray, who's our Appropriations chair, knows, CDBGs have been a very, very important tool in recovery. We've now had more than \$30 billion that's been used expressly to help communities recover from disasters through the CDBG.

Already we have worked with the State to move CDBG money to places that have been affected. Some of the very developments that you're thinking about, I believe, on the Eastern Shore where we've been working, it's CDBG money that's been able to come in.

On that front, I would just compliment Senators Landrieu and Cochran for the work that they did after Hurricanes Katrina and Rita to learn from those lessons. There's a very thoughtful reform proposal that they've put together for CDBG, and I think you will

see in our supplemental that we are proposing a number of changes that will help CDBG be an even more effective tool for exactly the kinds of challenges that you're talking about.

I'm not sure if Mrs. Barbour will ever forgive me for all the late night calls I had to make to the Governor's mansion when I was working with Governor Barbour. And Senator Landrieu, you know this as well. Some of the barriers that we ran into, the decisions that were made, some of them just didn't make any sense, and where they were in my power I changed them and we made CDBG much more flexible in the responses to Hurricanes Katrina and Rita.

What I will also say is some of them I couldn't change, and I think your proposal—I would really compliment you for the thoughtful work that's gone into that and it's something I think you'll see reflected in the work we're doing, and it will be very helpful to Maryland.

Senator MIKULSKI. I can tell you, I know Mrs. O'Malley. She's Judge O'Malley. She won't care if you keep calling Governor O'Malley at night. I'll call her now and say, are you in for the program, and she would say yes.

But in all seriousness, first of all, you are a creative administrator. Both of you are. So I won't prolong the generosity of the chair in having me participate here. But it is my hope and my prayer for my community that's affected that we would think not only of the bridge during the very hard time for individual families but how we look at economic development.

I would invite you, as you're looking at your regulations, as you're assessing what the Governor's going to submit, which we will support, if you would consider visiting us, visiting us to look at what this is, so we can not only respond, but we can also lay the groundwork for reform to be able to really help our communities that are so hard hit and so hardscrabble, but are so terrific.

Senator LANDRIEU. Thank you, Senator Mikulski.

Senator Murray.

STATEMENT OF SENATOR PATTY MURRAY

Senator MURRAY. Thank you very much, Senator Landrieu. Thank you so much for holding this hearing and for your tremendous work on this really critical issue. Obviously, I am not from a State impacted by this hurricane or by the one that impacted you, but as Americans we all have to come together. And we can learn from this and we can do some things that are really important. As chair of the HUD Committee, I want to make sure we use this to help those people in this country that have been hurt dramatically but also to make sure we're getting it right.

And I just wanted to thank you as well for mentioning debris. Obviously, we don't have a hurricane, but there was in Japan a tremendous disaster that's hitting the west coast, understand the debris issue as well. None of us knows what's going to impact us. So really, Chairman Landrieu, really appreciate your working on this issue.

Obviously, Secretary Donovan and Administrator Fugate, thank you for your words here. A very impressive first panel, listening to so many Senators that have just seen tremendous things happen

to their citizens, and we all need to stand up and help them now as well.

But as I said, we have to learn from this and get it right. I was listening to your response to Senator Mikulski on the CDBG in particular. I know we have worked to make that more flexible. I think that there's been some proposals out there about making it more flexible.

But I'd like to go back and ask you: What issues have you seen in particular with CDBG that say to you this is what we need to change?

DISASTER BLOCK GRANT

Secretary DONOVAN. A number of the things have to do with simply the fact that CDBG is envisioned as a block grant for regular sort of course of business, not only on housing but infrastructure and other community needs. So the types of things that we have run into, depending on the nature of the disaster, the income targeting requirements have been an issue at times. I think you will see that there is a broad range of communities that have been hit. And if we are doing awards, for example, to a locality that was hit hard that just happens to be a higher income community, it may make it harder to provide assistance that's needed with those. So that is an issue we're looking at.

A second would be simply the process that is required in putting together the plans for CDBG. What make sense for public participation and other things during normal course of business when there's not a disaster may not make sense at a time when you have the urgency of a disaster in order to get the money flowing, as we talked about earlier.

Those are the types of things that we've been looking at.

Senator MURRAY. So the regular CDBG program works as we all think about it in terms of regular order. Do we need to be looking at how we use it in a disaster and providing flexibility within that disaster, not changing the general CDBG rules?

Secretary DONOVAN. Exactly right, and I'm glad you clarified that, Senator. I am not talking about these are reforms that are needed for CDBG everywhere. What Senators Landrieu and Cochran and others worked and what actually we looked at when we were putting together the National Disaster Recovery Framework, should we think about—well, let me put it this way. Every single time we've had a disaster and we allocate CDBG money, we've done it sort of in a customized way.

What we thought was maybe we'd step back and think about a disaster block grant specific provision that could be sort of taken off the shelf and used each time which is different from the way that regular CDBG works. It builds on it because there are lots and lots of strengths there, and that's exactly what the Senator has put together and we have been looking at in putting together the supplemental.

But I'm glad you—this is not to say there's something wrong with CDBG in normal times. It's just that disasters are different and that we need to maybe customize it for those specific areas.

Senator MURRAY. Okay, good. Well, I'd really like to work with you on that. So if you can continue that conversation with us as we move forward.

The other thing I wanted to ask you quickly was, Hurricane Sandy in particular impacted a lot of residents living in our Section 8 housing, HUD-assisted housing units. Can you tell us a little bit about the status of the housing that you've seen in your capacity?

HELPING SECTION 8 RESIDENTS

Secretary DONOVAN. Absolutely. This is a critical, critical piece of the immediate response work that we do at HUD. We have hundreds of thousands of either public housing units or assisted housing units that we are working on. The first and most immediate issue was as the storm was approaching—we have, as you know, housing for people with disabilities, housing for seniors. We were very focused on making sure we understood who needed to be evacuated in advance, working with local authorities to do that; and then specifically focusing after the storm on those residences that had the most vulnerable people there and did have to do some number of evacuations there.

A second area that we were very focused on was restoring through generators, through temporary boilers, heat, hot water, electricity, as quickly as possible, because the fewer people we had to displace from their homes the more successful we were going to be in keeping those communities together, minimizing the harm to those families and the cost, frankly, to the Government.

We had 75,000 people in New York City public housing alone that lost power and heat and hot water. We had meetings with the President where literally I was talking to Secretary Panetta about, could we use military planes to fly boilers in—these are enormous boilers—to fly them in across the country, to get them there faster, to try to get those up and running.

That has been replicated on a smaller scale in every community that we've been working with to try to target. I've talked to Mayor Booker, the mayors of Hoboken and Jersey City and so many others, Atlantic City, about those immediate needs. I'm happy to say that we are at a point where we've been able to restore power and electricity to every unit in the New York City Housing Authority and to the other ones where we didn't have to evacuate folks. So that has been a major, major effort. There were some where we had ruptured oil tanks or other things where we had to evacuate.

Then the last thing that we've done, which I really give great, great accolades to our partners, the local housing authorities and others, we went out to all of our housing authorities in, I think, a 14-State region, all our private providers, and said: If you have vacancies, let us know, because we can then provide units to those who are going to be displaced for some period of time; we know they're income-qualified and we can move them directly. We can pair them with other housing authorities or other housing, to be able to move them into units that are available today.

We identified thousands of vacant units across the region that we made available as a resource to move folks into.

Senator MURRAY. Have we re-housed all of our low-income families at this point?

Secretary DONOVAN. What I would tell you is we still have questions about a very small number, in the hundreds at this point, because they may have a boiler or a generator that's going where we're worried that when it gets down to zero degrees it may not be adequate. So literally we're working very closely with FEMA over the next few weeks before it gets really cold to try to get electrical wiring, boilers reinstalled, re-operative, so that we can avoid having to move those folks. So we are not done at this point, but we are down to a relatively small number of units, given the original total that we started with.

Senator MURRAY. We really appreciate it. Thank you very much for your work.

Secretary DONOVAN. Thank you.

Senator LANDRIEU. Thank you.

We're going to bring this to an end in just a moment. I have three questions, but I'm going to ask them and ask you to answer them in writing. But for the record, I want to make sure that, while Senator Murray's here, I can't underscore the significance of the need for flexibility in the disaster recovery grants that the Secretary has testified to. This was an idea that actually emerged after Hurricanes Katrina and Rita. I've had many local officials from the gulf coast call and say: Senator, have you told them our idea about a more flexible grant? So I want to say: Yes, I have told them about a flexible grant, because that is what local officials, Senator Murray, have asked for. It could also be very helpful to Senator Mikulski's need to get specific targeted funding to counties, that's not really allowable under the current FEMA rules but with some flexible block grant funding could potentially be very helpful.

But the second, Secretary Donovan—or actually, to Administrator Fugate: It takes now 18 to 36 months for FEMA's hazard mitigation funding to work its way down to disaster-affected communities because of all the process that you're familiar with. Could you please give us some suggestions as to how we could improve that within the next week so we can consider authorizing that in legislation? And would you support a policy to advance a small portion, let's say 10 or 15 percent, so that the communities can get on with their work?

[The response follows:]

FEMA's priority is to move HMGP funds in a coordinated and swift manner that meets the standards established in statute and regulation. FEMA continues to provide technical assistance to States as projects are developed to ensure projects comply with all Federal, State and local laws. FEMA continues to examine new and creative ways to provide technical assistance to States especially in the wake of recent disasters. FEMA has several technical assistance contracts in place that will provide expertise, including but not limited to site visits, data development, and data evaluation. Contactors may also assist with cost-effectiveness and feasibility and effectiveness reviews to enable the program office to expeditiously review and award HMA funds so that projects can be implemented by State and local governments.

FEMA is assessing HMGP to identify and eliminate barriers to project approval. The HMGP program office identified two critical areas for focus: Refine standards for complete applications; and identifying timelines for project review and request for information response actions and decisions. FEMA continues to monitor the targeted group of disasters and applicable projects that remain pending, and continues to meet with regional and State staff to identify challenges and discuss options for improving delivery, obligations, implementation, and closeout. FEMA is also exploring ways to utilize the benefit cost analysis models to address comprehensive community needs after a disaster, including environmental benefit and critical service delivery to citizens.

On November 15, 2012, FEMA clarified its position on the eligibility of generators for critical facilities under the HMGP. The need for generators at critical facilities was demonstrated after Hurricane Sandy's impacts along the east coast. Generator projects must meet all HMGP eligibility requirements including, but not limited to, cost-effectiveness and feasibility. Generators will also continue to be an eligible activity under HMGP's 5 percent initiative.

FEMA encourages States to submit projects early in the application period rather than at the end of the HMGP application period. The HMGP application deadline is 12 months after the disaster declaration date. FEMA may extend the application submission timeframe in 30- to 90-day increments not to exceed a total extension of 180 days with a total application period of 18 months. When States delay application submissions, FEMA's review is also delayed. States should submit applications to FEMA as applications are developed.

Project templates, benefit-cost efficiencies and other resources have been developed to facilitate complete project development. Historically, the majority of projects submitted to FEMA have been incomplete at the time of submission. Incomplete projects require additional resources from FEMA, State, and local staff to bring to completion and subsequent approval. FEMA continues to develop tools for States and local communities to simplify the HMGP application process.

Senator LANDRIEU. Number two, Administrator Fugate, last year Senator Cochran and I introduced legislation for temporary child care services under section 403 of Stafford. Will you please tell us within a week whether you're recommending that that go forward or not?

[The response follows:]

FEMA currently supports the funding of child care services through Public Assistance Policy 9580.107, a program enacted in 2010. <http://www.fema.gov/9500-series-policy-publications/child-care-services>. The policy provides for eligible sheltering costs for items such as labor overtime costs and supplies, temporary relocation of facilities such as schools and other community services, and the repair of public or nonprofit facilities, such as day care centers.

FEMA looks forward to working with our partners in Congress to discuss this matter, as we continue to work together to support communities as they recover from disaster, including ensuring the needs of families with children are met.

Senator LANDRIEU. Then finally, these disaster loans. You'll hear me talk about this until I'm tired of saying the words. But can I ask you what \$5 million in loan authorization is going to do to help any community? The operating budgets of these cities are billions of dollars, hundreds of millions of dollars. What—who ever came up with the \$5 million cap?

I mean, do you realize that that's all the money that a local government can borrow under this program, is \$5 million? I don't know what—so no one has applied. I wouldn't either. It's of no use whatsoever.

So could we have some suggestions from FEMA and from HUD about what the cap should be, under what circumstances should communities be able to borrow, up to what percentage potentially of their operating budget? You know, \$5 million didn't help the City of New Orleans. Our budget is, I want to say—if I can remember this, I think it's about \$600 million a year. What would \$5 million help the City of New Orleans, when 80 percent of our operating revenue disappeared overnight? So that is still an issue out there for local governments.

[The response follows:]

Multiple factors are considered in determining Community Disaster Loan (CDL) thresholds. FEMA is eager to work with Congress and our partners within the Federal family to discuss what should be the future circumstances under which loans would be made to communities, as well as the size and scale of future CDLs.

Senator LANDRIEU. Again, just to conclude, without getting too much on a soapbox, Senator Coats is correct. This response cannot just be about the Federal Government bailing everybody out for every \$1. It's got to be smart leveraging of the power of the local governments to leverage their own assets and using the power of the private market to leverage the assets we need for smart rebuilding. So those loans are important to leverage the assets of the local government.

So while we don't have to give a grant in every case, we can do a combination of grants, give them power to leverage their borrowing capacity, and through new market tax credits and Gulf Opportunity zones, which is not the subject here but is an important part of this recovery that will come under Finance.

So I just want to raise those issues. We found those to be very effective.

Senator Coats, any final words?

Senator COATS. Well, thank you very much for your testimony. I think this is very important. We're obviously going to have to do more of this. I just have two final questions here, if you could.

Secretary Donovan, you had indicated the supplemental will probably be coming our way this week, which is in the next couple of days at the least. But do you have a sense of when the long-term recovery cost estimates will be available to us?

LONG-TERM RECOVERY ESTIMATES

Secretary DONOVAN. We will provide with our request significant detail in terms of how we've arrived at those costs, and we would be happy to set up a follow-up meeting with you to go through those in detail. Just to give you an example, on housing we're already more than 90 percent complete with inspections of those homes. Similar for transit and other things.

There is lots and lots of work that's been done over the past month to get to as strong an estimate as is possible. That is not to say that every category is final at this point, and certainly part of my job is going to be looking at, as Administrator Fugate said, what is the smartest mitigation strategy that varies from individual homes to more community-wide approaches. But we will provide you with significant detail on how we arrived at it.

RESOLVING OUTSTANDING PROJECTS

Senator COATS. That's good, and it helps me segue into the next question, for Administrator Fugate. That is, I think we're in the seventh year now of still handling long-term costs relative to Hurricane Katrina. So if you have some sense of when the requests—when we'll meet the end of those requests—it just helps us put all this in context in terms of the relief fund and what we might need. So where are we on that now?

HURRICANE KATRINA FUNDS

Mr. FUGATE. Senator Coats, that is actually what we base our annual appropriation request on. Again, as we get into some of the more complex projects—as the chairwoman has pointed out, there are many projects that are still to be resolved in Louisiana, and

I've been working. As Secretary Donovan has basically said, since this administration has come in, we've been dealing with a lot of the decisions made, trying to work to get to final answers, so we can get the building going. We still have construction in Mississippi.

But we also saw Mississippi in Hurricane Isaac; mitigation saved us a lot of money, because there were a lot of fire stations and police stations that were up and running, and the same in Louisiana.

Senator LANDRIEU. And the same in Louisiana. The mitigation worked.

Mr. FUGATE. There are some good examples.

But this is again an annual appropriation based upon, not the total damages, but what we expect to be expended in that fiscal year. On some of these projects, like charity and other projects, it takes multiple years once a hospital starts construction to get through it. So it's based upon what the annual expenditures are on these disasters.

Quite honestly, we would welcome any additional tools that could speed that process up so taxpayers know what their total obligations are as early as we can and give State and local governments the maximum flexibility then to expend those funds, versus every year having to come back for more money for all the disasters because we were doing it project by project as a reimbursement basis.

Senator LANDRIEU. Let me follow that up if I could, Senator Coats, because you're absolutely right. No one is more anxious to close out the Katrina-Rita storm than the people on the gulf coast. We've been dealing with this now for 7 years. But thank you for raising that, Administrator, because if we provide, which I think we will, some new tools for the recovery that we're facing today, if we could use some of those tools that we're going to provide for the east coast sort of retroactively for Hurricanes Katrina and Rita and some other open disasters, potentially we could resolve the outstanding issues and save taxpayers money and save our local officials a lot of time.

So let's think about that, because I think Senator Coats raises a good point. At some point you've got to close out past storms so we can focus our efforts on the storms that are before us. But there's still, unfortunately, Senator, some work that has to be done.

Senator COATS. Yes. Very good. Thank you.

ADDITIONAL COMMITTEE QUESTIONS

Senator LANDRIEU. We will keep this record open for 1 week. Questions should be submitted to the subcommittee staff by close of business Wednesday, December 12.

[The following questions were not asked at the hearing but were submitted to the Departments for response subsequent to the hearing:]

QUESTIONS SUBMITTED TO THE FEDERAL EMERGENCY MANAGEMENT AGENCY

QUESTIONS SUBMITTED BY SENATOR MARY L. LANDRIEU

SLOW PACE OF HAZARD MITIGATION FUNDING

Question. Administrator Fugate, it typically takes 18 to 36 months for FEMA hazard mitigation funding to work its way down to disaster-affected communities, even

though FEMA typically conducts an initial grant calculation 1 month after a disaster is declared.

The benefits of smarter land use, stronger building codes, and sustainable disaster-resistant construction are abundantly clear, but it seems to me that the program's current design significantly reduces its influence on post-disaster rebuilding because of the time lag in funding.

Would you support a policy to advance to States a small portion, say 10 percent, of their estimated grant for project management activities like hiring staff to administer the grant, updating mitigation plans, formulating eligible projects, and beginning the lengthy process of environmental, historic, and benefit-cost reviews?

Answer. We note that H.R. 219 that passed the House January 14, 2013, provides for FEMA to advance up to 25 percent portion of Hazard Mitigation Grant Program (HMGP) funds to States post-disaster. Opportunities to mitigate after a disaster are often best addressed within the first several months after a disaster and communities would benefit from swifter access to funds that may assist with buy-outs, elevations and comprehensive community mitigation. FEMA also supports moving forward to allow States to utilize the managing State concept without regulations as included in the supplemental.

Question. Do you believe that advancing some seed money would increase mitigation opportunities earlier in the rebuilding process?

Answer. FEMA does believe that advancing some funding would increase mitigation opportunities only if the State submits projects for consideration earlier in the process. In many cases, States choose to make decisions on mitigation strategies and priorities only after convening panels or reviewing other options. State management cost funds, code assistance and planning projects could help States and communities identify projects in progress from previous events that may need to be revised due to impacts from the current event, and would allow communities to identify previous completed projects that functioned as designed during the current event. Improving the planning process may provide the States and communities a better initial list of potential projects, or identify unmet needs from previous events.

CHILD CARE

Question. As you know, the legislation I introduced with Senator Cochran last year authorizes FEMA to provide temporary child care services under section 403 of the Stafford Act in communities that suddenly find themselves unable to meet this essential need.

It also authorizes families to use Individual Assistance funds provided under section 408 for the purpose of disaster-related child care expenses. You and I have discussed these issues at two separate hearings that I chaired on the unique needs of children and disasters, in conjunction with the National Commission on Children and Disasters and your leadership of the interagency Children's Working Group.

Do you support these reforms?

Answer. FEMA currently supports the funding of child care services through its Public Assistance Program as described in Fact Sheet 9580.107, which was published in 2010. <http://www.fema.gov/9500-series-policy-publications/child-care-services>. The Fact Sheet outlines eligible child care costs associated with sheltering such as labor overtime costs, minor modifications to the building to accommodate child care, and supplies. In addition, FEMA has determined that child care is an essential community service and therefore provides assistance for temporary facilities to allow eligible applicants to reestablish child care services they provided prior to the disaster. Private nonprofit day care centers may apply to FEMA for repair, restoration or replacement of their disaster damaged facilities after they apply for a disaster loan from Small Business Administration.

HOUSING SOLUTIONS

Question. The Post-Katrina Emergency Management Reform Act included a pilot program for FEMA to repair damaged rental units in order to house disaster survivors.

This program expired in 2009, and FEMA no longer has explicit authority to repair damaged rental units.

The housing needs in the tri-State area resulting from Hurricane Sandy are great. I'm aware that FEMA has launched a pilot initiative called the STEP program to perform basic repairs on damaged homes.

Would you like to see the rental repair pilot program re-authorized? Could that authority be potentially useful in the context of this disaster?

Answer. Before the expiration of the Rental Repair Pilot Program, FEMA developed and began implementing the Multi-Family Repair Program under the direct tem-

porary housing authority. The Multi-Family Repair Program consists of FEMA entering into a contract with a property owner to repair damaged multi-family housing in order to utilize the repaired property to house eligible FEMA applicants for up to 18 months from the date of the disaster declaration. During Hurricane Sandy response and recovery, FEMA proactively engaged the States in identifying potential eligible housing structures. The New Jersey State-Led Disaster Housing Task Force considered this option. Teams were deployed to assess potential buildings and meet with local officials to determine feasibility for this type of direct assistance. Although this option has not yet been utilized, FEMA continues assessing the need and identifying potential properties.

FEMA is scheduling an after-action meeting to identify lessons learned from implementation of the program in Texas, Iowa, North Dakota, and Vermont to include the cost effectiveness. FEMA will continue to maintain this as a potential direct housing option based on the situation and circumstances of each event.

Question. Are there other authorities that you need from Congress in order to effectively tackle your respective housing missions?

Answer. FEMA is evaluating what authorities may best accomplish its housing mission and looks forward to working with Congress and our partners in the near future.

CASE MANAGEMENT AND COMMUNITY DISASTER LOANS

Question. Mr. Fugate, as I mentioned in my opening statement, FEMA has not activated its contract with Catholic charities to deploy case managers to the affected region. Case management was authorized after Hurricane Katrina to provide households with a single point of contact to connect them with resources to address their disaster-related needs, such as housing, job training and placement, education, healthcare, transportation, and child care.

And to my knowledge, FEMA has also not entered into discussions with local governments about applying for Community Disaster Loans to replace lost revenue and sustain operations. Numerous communities have projected significant revenue losses as a result of the hurricane. Without stopgap assistance, they may be forced to lay off significant portions of their workforce that are important to recovery, such as permitting officials, building inspectors, community planners, finance and accounting staff, and even first responders.

There certainly seems to be a need for these two programs, but for some reason, despite the scale of this event, they haven't been deployed.

Can you please explain whether New York, New Jersey, and the other affected States have requested either of these programs, and whether the Federal Coordinating Officers or Federal Disaster Recovery Coordinators in each of these States have discussed these particular programs with the Governors?

Answer. [Follows:]

Disaster Case Management

New York and New Jersey requested immediate disaster case management (DCM).

New York:

—New York State also submitted a long-term DCM grant application and was awarded a FEMA grant.

—The State also requested that the American Red Cross provide immediate disaster case management services to 1,300 survivor households in the five New York City boroughs that are receiving transitional sheltering assistance (TSA) from NYC (non-FEMA TSA). Services to be provided include referrals to Federal, State, and local social services programs, data management to include entering case information into the Coordinated Assistance Network (CAN) and assistance for relocation to interim and/or permanent housing solutions.

New Jersey:

—New Jersey implemented an Immediate DCM Program together with HHS ACF and their national contractor, Catholic Charities USA. They began service on November 23, 2012, and are funded through a mission assignment through the end of March.

—The State submitted and received funding for a long-term DCM State grant on January 29, 2013. The State has posted a request for proposals (RFP) and is the process of selecting a DCM grant management agency. Once the management agency is chosen, HHS/Administration for Children and Families will transition open cases to the management agency. Local providers will then be engaged to take on and transition open cases.

Connecticut did not request immediate disaster case management. They are preparing a long-term DCM State grant application.

Rhode Island did not request immediate or long-term disaster case management. FEMA continues to deliver technical assistance to States impacted by Hurricane Sandy and respond to questions about program services and the long-term DCM grant application process.

Community Disaster Loans

Local jurisdictions in both New York and New Jersey have requested potential participation in the CDL program. However, only New Jersey has formally requested the program to date. FEMA met with New Jersey State officials on January 10, 2013, to begin the process of identifying those communities in need. We anticipate New York's request, but have yet to receive it.

The CDL program has approximately \$38 million apportioned to it, plus it has been appropriated \$296 million in the supplemental funding from Public Law 113-02. CDLs are statutorily capped at a maximum of \$5 million per loan.

The Federal Coordinating Officers in New York and New Jersey have been discussing the benefits of the CDL program with the Governors' authorized representatives.

Question. Do you agree that disaster case management and Community Disaster Loans could assist households and communities severely impacted by Hurricane Sandy?

Answer. [Follows:]

Disaster Case Management.—Disaster case management (DCM) is currently being implemented in New York and New Jersey. DCM can assist households and communities severely impacted by Hurricane Sandy.

Community Disaster Loans.—The Community Disaster Loan Program is yet another tool in the FEMA tool kit which allows FEMA to provide support and assistance by offering loans to local governments that have suffered a substantial loss of tax or other revenues as a result of a major disaster or emergency and demonstrates a need for Federal financial assistance in order to perform their governmental functions.

COMMUNITY DISASTER LOANS

Question. The FEMA Community Disaster Loan Program provides vital funding to keep local governments afloat after a disaster has drained their economy by reducing tax revenues and increasing operating costs. This funding supports police and fire protection, trash collection, permitting, zoning, and other municipal functions.

What have each of you heard from communities about the need for a Federal loan for operational expenses?

Answer. Local jurisdictions in both New York and New Jersey have requested potential participation in the CDL program. However, only New Jersey has formally requested the program to date. FEMA met with New Jersey State officials on January 10, 2013, to begin the process of identifying those communities in need. We anticipate New York's request, but have yet to receive it.

Question. Do you have a sense for how much communities will rely on this program?

Answer. It is hard to determine how much communities will rely on the program beyond the historical perspective of the program. Since Katrina, 27 communities nationally have utilized the program for \$70 million in loans. During Katrina, 100 communities utilized the special CDLs for more than \$1.2 billion in loans. However, by statute, the special CDLs did not have the \$5 million cap that the "normal" CDL program has. Prior to Katrina, CDLs were last requested in the 1990s.

Question. Is the current \$5 million cap an obstacle for use in this disaster?

Answer. While the cap is reasonable for smaller communities, larger communities would likely see the amount as only minimally beneficial to them.

Question. If the cap is an obstacle, at what level should the cap be set to reasonably support community needs as a result of Hurricane Sandy? Should it be a percentage of a community's budget instead of a dollar amount?

Answer. FEMA is eager to work with Congress and our partners to discuss what should be the future circumstances under which loans would be made to communities, as well as the size and scale of future Community Disaster Loans.

TECHNOLOGY TO MEASURE STORM INTENSITY

Question. Hurricane Sandy provides a sobering reminder of the importance of improving our ability to forecast severe weather events, in order to reduce risks to human life and property. I believe that we should harness the use of innovative technologies to improve hurricane intensity monitoring and forecasting.

Would improved hurricane intensity forecasting and monitoring capabilities allow us to make better judgments on evacuations and also more wisely deploy resources for post-storm response?

Answer. Yes. Improved hurricane intensity forecast and monitoring capabilities would benefit the entire weather enterprise and emergency management community by increasing and validating real-time situational awareness, and improving confidence in forecasts for response operations. Increased confidence in the current and forecast intensity at landfall would allow all levels of responders in the whole community to focus on the areas of greatest impact and make better use of that information in the evacuation timeframe, contingency planning, and response.

As former National Hurricane Center director Max Mayfield said, "The battle of hurricanes is won in the offseason." In addition to improved intensity forecasts, the best approach includes comprehensive local, State and Federal planning that accounts for the inherent uncertainties which will continue to exist, particularly during timeframes when decisions need to be made in order to safely and successfully execute evacuations.

Partnerships and communication practices implemented by the FEMA Hurricane Liaison Team and National Hurricane Program also demonstrate the importance of translating improved intensity forecast information to better response outcomes, including the rapid exchange of critical forecast communication with all partners and key stakeholders in the emergency management community during a hurricane response. FEMA has also developed successful storm surge monitoring capabilities in partnership with the U.S. Geological Survey, whereby "storm surge sensors" are deployed prior to the arrival of a hurricane, augmenting existing tide gage monitoring networks to provide real-time situational awareness on storm surge inundation—water depth over land—at the coast. With the proper formatting of data and information collected by these storm surge sensors, FEMA is able to prepare rapid, geospatially enabled storm surge inundation damage assessments to guide the deployment of post-storm resources and assistance to the public.

Question. Has FEMA considered using technologies, such as surface robotics, to gather real time data that may improve hurricane intensity forecasting?

Answer. FEMA has been an integral partner in NOAA's Hurricane Forecast Improvement Program (HFIP), participating in workshops, meetings, experimental research and other projects within the program. This has included providing feedback into the development of future modeling, forecasting and diagnostic products as well as—through the FEMA Hurricane Liaison Team—working at the National Hurricane Center to communicate the results of real-time observational, track and intensity forecast information to key partners as it relates to impacts, planning and response activities. As mentioned in response to the first question, FEMA has also developed a capability to monitor and capture real-time storm surge inundation data through mission assignment to the U.S. Geological Survey. Using storm surge sensors and Real-Time Kinematic GPS instruments, FEMA assigns USGS the mission of collecting observed surge inundation data prior to, during, and immediately following the landfall of hurricanes. As the USGS reports instrument and field-based observations of storm surge inundation, FEMA geospatial analysts develop rapid inundation damage assessments using Geographic Information Systems technology for response and recovery operations guidance. The data captured by the USGS is also provided to the NOAA National Hurricane Center for their use in calibrating hurricane and storm surge forecast models.

Question. Is FEMA collaborating with NOAA and other agencies to develop inter agency agreements to capitalize on new innovative technologies that could improve our capacity to predict and monitor hurricane intensity?

Answer. FEMA (as part of the National Hurricane Program) collaborates with NOAA's National Hurricane Center annually under an interagency agreement (IAA) to develop and run hurricane storm surge prediction models (SLOSH) to predict and monitor storm surge height and extent for (1) pre-season hurricane evacuation planning, and (2) real-time prediction of storm surge height and extent for evacuation decisionmaking by State and local governments.

Additionally, through the FEMA Modeling Task Force (MOTF), a team of risk analysis experts support disaster operations with real-time hazard and impact assessments for hurricanes, including storm surge, riverine flooding, and coastal flooding. The MOTF provides a comprehensive data resource for viewing technical data from a variety of sources. These include other partners such as the U.S. Geological Survey, NOAA, universities, national labs, and State and local agencies. The result is an innovative portal to develop consensus for best estimates of impacts including potential losses, damage assessments, and potential population impacts.

QUESTION SUBMITTED BY SENATOR FRANK R. LAUTENBERG

Question. Under FEMA policy, the Federal share of disaster funding may be increased above 75 percent once the damage in a State reaches \$131 per capita. Do you expect New Jersey to reach this threshold?

Answer. Pursuant to the Stafford Act, the Federal share for the Public Assistance program is to be not less than 75 percent. The President sets the Federal share. Pursuant to 44 CFR 206.47, FEMA will recommend an adjustment to 90 percent Federal share when total Federal obligations under a disaster meet or exceed a qualifying threshold. For disasters declared in 2012, that threshold is \$131 per capita. Based on the State's 2010 Census population of 8,791,894, total Federal obligations, less FEMA's administrative costs, under the New Jersey major disaster declaration for Hurricane Sandy will have to reach \$1,151,738,114. As of January 15, 2013, New Jersey was at \$72.96 per capita.

QUESTIONS SUBMITTED BY SENATOR DANIEL COATS

RELATIONSHIP BETWEEN FEMA AND THE DEPARTMENT OF TRANSPORTATION

Question. Administrator Fugate, have you determined and signed an agreement with the U.S. Department of Transportation (DOT) laying out the responsibilities between DOT and FEMA since the passage of MAP-21 which altered DOT's responsibility to pay activities after a disaster during Stafford Act declarations?

Answer. The Department of Transportation's Federal Transit Authority and FEMA are currently working together to draft the memorandum of agreement. In addition, the two agencies are coordinating closely in the field to ensure efficient provision of assistance to public transportation agencies impacted by Hurricane Sandy.

COMMUNITY DISASTER LOANS

Question. Administrator Fugate, if a proposal were made to eliminate the dollar cap on Community Disaster Loans for catastrophic disasters has FEMA analyzed the financial impact such a proposal would have? What would be the risk to the Federal Government?

Answer. Eliminating the dollar cap on Community Disaster Loans would lead to larger loans on the street. The risk to the Federal Government of eliminating the cap would be that these larger loans might be canceled. Historically, 84 percent of Community Disaster Loans and 43 percent of Special Community Disaster Loans defaulted or were forgiven, resulting in \$1.067 million cost to the Federal Government.

Question. What recommendations would FEMA make to have the Community Disaster Loan program be more applicable to cities, counties, school districts, and other government entities today?

Answer. Any of these entities are currently able to apply for the CDL program.

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

Question. Administrator Fugate, we are nearly 7½ years removed from Hurricane Katrina's landfall on the gulf coast. I am personally aware of several cases of Federal assistance related to my State's experience with Hurricane Katrina that have yet to be resolved or have only been resolved recently. It is my understanding that FEMA has been carrying out the law as written but that you are limited in your ability to resolve some of these types of cases as quickly as you might like. This pattern does not bode well for the States affected by Hurricane Sandy. When it comes to these large-scale disasters, have you analyzed the costs to Federal, State and local governments associated with negotiating and litigating thousands of cases, sometimes for 5 or even 10 years? Are there specific measures you might recommend we consider to eliminate some of these bureaucratic exercises for Hurricane Sandy recovery?

Answer. FEMA supports and appreciates many of the flexibilities included in division B of the Disaster Appropriations Act, 2013 (Public Law 113-2), which will reduce the cost to the Federal Government in the administration of the Public Assistance (PA) program. These included: increased flexibility in administration of the PA program, measures to expedite the provision of assistance to PA applicants, and financial incentives and disincentives for PA applicants for timely and cost-effective completion of PA projects with FEMA assistance. These measures also included providing permanent work and debris grants based on estimates, allowing FEMA to ac-

cept PA applicant's professional certified estimates or the use of a third-party professional validation of estimates, allowing for FEMA to pay for municipal force account straight time for debris removal, and providing incentives for pre-disaster debris management plans with at least one pre-qualified debris contractor.

Question. How long will the disaster relief funds currently available to FEMA continue to provide for an expedient rate of recovery from Hurricane Sandy?

Answer. The Disaster Relief Fund provides resources for all Presidentially Declared emergencies and major disasters. DRF funds are typically available until expended. In 2012, section 251(b)(2)(D) of the Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA) was amended to include a discretionary cap adjustment for disaster relief. This has facilitated a shift away from a reliance on supplemental appropriations for all but the largest disaster events by allowing for some amount of pre-funding, based on FEMA spend plans for prior catastrophic events and the rolling average annual cost of non-catastrophic disasters. As a result, the spending "tail" for Hurricane Sandy will be accounted for and accommodated in future administration budget requests, along with other catastrophic disasters such as Hurricane Katrina and Tropical Storms Isaac and Irene. However, absent any additional appropriations, based on FEMA's current estimates of anticipated disaster spending requirements, including Hurricane Sandy, FEMA would implement Immediate Needs Funding during March 2013.

Question. At this point, how confident can we be in any total damage estimates for Hurricane Sandy?

Answer. Based on data currently available, we are confident in the fiscal year 2013 estimates for Hurricane Sandy submitted by the administration as part of its supplemental for the Disaster Relief Fund (DRF). As with all major disasters, FEMA will continue to assess and report on DRF estimates as part of its required monthly congressional reporting, and provide updates to these estimates (upward or downward) as needed based on new or additional information by disaster and in total for the DRF.

Question. What is the precedent for Congress providing some portion of recovery funds based on damage estimates in the near term, followed by additional necessary amounts as we gain confidence in these estimates over the coming months and maybe even years?

Answer. Following Hurricane Katrina in 2005, two emergency supplemental appropriations were enacted as a result of Hurricane Katrina. On September 2, 2005, 1 week after landfall, Emergency Supplemental Appropriations Act, Public Law 109-61 provided \$10 billion to meet the consequences of Hurricane Katrina. One week later on September 8, 2005, a second Emergency Supplemental Appropriations Act, Public Law 109-62 provided an additional \$49.885 billion. By December 30, 2005, a portion (\$24.874 billion) of the supplemental funding had been rescinded. Yet by June 2006, additional supplemental funding of \$5.962 billion was restored. In fiscal year 2007, another Supplemental Act (Public Law 110-28) was passed, which provided \$4.256 billion for Hurricane Katrina recovery aid.

QUESTIONS SUBMITTED TO THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

QUESTIONS SUBMITTED BY SENATOR MARY L. LANDRIEU

DISASTER RECOVERY GRANTS

Question. Secretary Donovan, I have spoken with you several times since Hurricane Sandy about the need to provide flexible Disaster Recovery Grants to affected States and communities through your Department to address housing, infrastructure, economic revitalization, community planning, and other unmet needs.

HUD has administered disaster recovery funding through its Community Development Block Grant program since the early 1990s for these activities.

I am interested in the advantages that these grants have in comparison to other sources of Federal recovery funding, but also in ensuring that they are not overly bureaucratic.

Do you agree that funding should be allocated to States and by States on the basis of damage and unmet disaster-related needs, and not based only on income level?

Answer. Yes. The States and New York City were designated as CDBG-DR grantees in order to more effectively and efficiently get funds into the hands of those who need it most while providing oversight. For some smaller potential grantees, these CDBG-DR allocations would have been up to a hundred times more money than they are accustomed to handling in this program which could overwhelm the program and lead to delays in disbursement.

HUD's allocations are based on estimated unmet recovery needs. HUD receives the data from FEMA and SBA identifying damage estimates in major disaster areas. The supplemental directs that at least 50 percent of each CDBG-DR grant must be expended on activities that principally benefit low- and moderate-income persons. This requirement may only be waived if there is a finding of "compelling need."

Question. After Hurricane Katrina we got mired in red tape with the CDBG program. What specifically can you recommend we do to expedite the commitment of funds to projects, and drawdown of those funds to rebuild as quickly as possible?

Answer. In an effort to cut red tape, HUD worked directly with the Hurricane Sandy grantees in developing their CDBG-DR action plans to more quickly expedite the commitment of funds to various recovery projects. Additionally, CDBG-DR funding was allocated by HUD faster than ever before—8 days following enactment of the Hurricane Sandy supplemental legislation.

Long-term recovery and redevelopment efforts start immediately following a disaster, and it is important for the Federal Government to take a coordinated regional approach to delivery of assistance. That's why the President established the task force—to have a group focused solely on long-term region-wide rebuilding and delivering cabinet-wide coordination and engagement on recovery—even as response activities continue. The Hurricane Sandy Rebuilding Task Force has also convened an Advisory Group of the most impacted elected officials at the State and local level so that they can provide the Federal agencies with direct and routine input regarding CDBG-DR or other program recovery issues.

Question. What authorities do you need to ensure States get the technical assistance they need and we make this program as efficient as possible?

Answer. No additional authorities are necessary to be able to ensure States get the technical assistance they need. The Department is providing CDBG-DR technical assistance through its staff and OneCPD Technical Assistance Program.

HOUSING SOLUTIONS

Question. The Post-Katrina Emergency Management Reform Act included a pilot program for FEMA to repair damaged rental units in order to house disaster survivors.

This program expired in 2009, and FEMA no longer has explicit authority to repair damaged rental units.

The housing needs in the tri-State area resulting from Hurricane Sandy are great. I'm aware that FEMA has launched a pilot initiative called the STEP program to perform basic repairs on damaged homes.

Would you like to see the rental repair pilot program re-authorized? Could that authority be potentially useful in the context of this disaster?

Answer. After the expiration of the Rental Repair Pilot Program (RRPP), FEMA developed and began implementing the Multi-Family Repair Program (MFRP) under the direct temporary housing authority. In coordination with the Sandy Task Force, FEMA is reviewing lessons learned from previous implementations of the MFRP

and RRPP to build out the requirements under the new Sandy Recovery Improvement Act authority, and as we proceed these will be shared with our partners and provide input to the development of the United Federal Review called for in the Disaster Relief Appropriations Act and Sandy Recovery Improvement Act of 2013, which added section 429 to title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

Question. Are there other authorities that you need from Congress in order to effectively tackle your respective housing missions?

Answer. HUD and FEMA are evaluating what other authorities may best accomplish its housing missions and looks forward to working with Congress.

NATIONAL DISASTER RECOVERY FRAMEWORK AND SECRETARY DONOVAN'S ROLE

Question. The National Disaster Recovery Framework calls for a Federal Disaster Recovery Coordinator to coordinate Federal support for disaster recovery, in the same fashion that the Federal coordinating officer (FCO) coordinates Federal support during the response phase.

The recovery framework also designates six recovery support functions and a Lead Federal Agency for each one. The Recovery Framework command structure was implemented for the first time after Hurricane Isaac struck Louisiana earlier this year, and the President has appointed separate Recovery Coordinators to assist New York and New Jersey for Hurricane Sandy. The President also designated you, Secretary Donovan, to lead the long-term recovery effort.

Please explain the relationship between your new role and the role of the Federal Disaster Recovery Coordinators.

Answer. The National Disaster Recovery Framework formalized an organizational structure for long-term recovery, under the leadership of Federal disaster recovery coordinators (FDRCs). There are currently FDRCs assigned to New York, New Jersey, and Connecticut.

The FDRCs are responsible for the coordination of the six Recovery Support Functions: Infrastructure, Housing, Economic Development, Natural and Cultural Resources, Health and Social Services, and Community Planning and Capacity Building. The Recovery Support Functions are the structure for problem solving, improving access to resources, and fostering coordination among State and Federal agencies, NGOs, and other stakeholders. Each one is led by a designated Federal agency with programs particularly relevant to that functional area.

The task force works in collaboration with the FDRC/RSF leadership provided through the National Disaster Recovery Framework, providing coordination to support rebuilding objectives and to ensure the Federal Government continues to provide the necessary, appropriate support to the region. Due to the size and regional scope of Sandy's devastation, the task force was established to complement the FDRC/RSF structure, and to focus on the interagency, regional, cross-cutting issues.

Question. How do you plan to encourage regional planning for efficient rebuilding?

Answer. In August, the Hurricane Sandy Rebuilding Task Force will issue a comprehensive, locally driven rebuilding strategy that will focus on helping communities rebuild in a way that makes them more resilient and economically sustainable. The strategy will also include an implementation plan to ensure continued cross-government coordination and collaboration as the plan is executed.

The task force has also convened an advisory group of the most impacted elected officials at the State and local level to seek direct and routine input regarding changes that are needed to cut red tape and help them be more efficient and effective. Additionally, the task force has set up regional offices to ensure we are always engaging State and local partners.

One goal of the task force is to identify and share best practices adopted by other communities in the wake of disasters and to help communities apply those lessons to their own rebuilding efforts.

An example of this work is an announcement HUD made in March to help communities get CDBG-DR funding into homeowners' hands more quickly. We released several model programs, based on best practices from other areas, that local governments can modify and adapt to launch their own programs to repair homes and small businesses and offer their citizens' housing counseling or, where appropriate, buyouts. Giving communities these model programs means they don't have to reinvent the wheel and design new programs from scratch—which ultimately means homeowners and businesses get money more quickly.

Additionally, throughout the CDBG-DR Sandy Notice, HUD incorporates guidance regarding mitigation:

—First, the needs assessment must take into account the costs of incorporating mitigation and resiliency measures to protect against future hazards.

- Second, in its action plan, the grantee must describe how it will encourage mitigation of hazard risk and how repair, rehabilitation, reconstruction, and new construction are designed (where possible) to incorporate principles of sustainability, including mitigating the impact of future disasters.
- As part of its action plan, the grantee must also identify how it will address the mitigation needs of each impacted Public Housing Authority (PHA) within its jurisdiction.

Question. The private sector and nonprofit organizations both play a major role in the long-term recovery of communities following a natural disaster. What non-governmental resources are you seeking to leverage for the recovery?

Answer. Private sector participation in the rebuilding effort is essential, whether from local businesses, nonprofits or local philanthropic partners. We have created a philanthropic and private sector partnerships position on the task force to track and engage with corporations for aligned activities and funding as well as plan for long-term projects.

The task force is working closely with the private sector to ensure that our activities and investments are aligned. Secretary Donovan has reached out to several private sector organizations to encourage their involvement in the recovery effort, and a number have stepped forward at least partially as a result. For example, Angie's List is providing free, 1-year memberships to 1,000 homeowners in the New York City tri-State area to help with Sandy relief by making it easier for families to find local contractors, auto repair specialists, and healthcare professionals who are highly rated by other consumers. Walk Score has launched a Web site to support people in search of temporary housing after Sandy. HotelTonight announced a \$60,000 contribution to the American Red Cross to support relief efforts for Sandy victims.

LOW-INCOME HOUSING

Question. How many units, of those that were damaged or destroyed by Hurricane Sandy, were affordable to low-income households?

Answer. The analysis shows approximately 45,000 rental units with damage due to Sandy, 15,200 of those with both serious damage and a tenant with an income of \$30,000 or less.

For HUD's multifamily assisted housing portfolio, there were a total of 199,295 units in the impacted areas for the States of New Jersey and New York. Of those units, 5,538 units had moderate to severe damage. At the current time, there are 178 residents that have not returned to their units.

HUD's data on public housing shows 1,840 units damaged, 603 not yet repaired as of February 14, 2013.

HUD matching of voucher tenant address to FEMA data on flood levels indicate more than 1,200 units occupied by voucher holders suffered significant damage.

Question. What resources are needed to rebuild those low-income units?

Answer. As owners and PHAs are still processing their claims with their insurance companies and developing their recovery plans, we do not know post-insurance estimate of affordable housing repair costs and what the gaps will be at this time. However, the Department is and will continue to monitor closely the estimates and anticipates working with the CDBG Disaster Recovery grantees to ensure that addressing affordable rental housing recovery is a top priority use of those funds. For instance, the initial action plans for New Jersey, New York State, and New York City approved by HUD include funding for public housing repairs, repair of multifamily buildings and other housing repair programs to repair and rebuild such units.

LEVERAGING VOLUNTEERS

Question. Volunteers have proven to be at the backbone of a disaster recovery and their work will require a long-term, sustained, and coordinated response. Volunteer management and support resources, such as housing and transportation, will be critical in the ability of nonprofits to implement their work in a variety of areas such as housing reconstruction, support for displaced persons, and neighborhood clean-up.

What support should the Federal Government provide to nonprofit organizations to enable them to engage the tens of thousands of Americans wishing to contribute their time and skills to Sandy recovery efforts?

Answer. The majority of nonprofit organizations that work with volunteers on a regular basis are experts in effectively managing and leveraging volunteer resources. Following a disaster, FEMA leads the Federal effort to maintain open communication with affected States, which in turn work with local recovery partners to identify critical needs and support needed by those organizations. Every disaster

presents unique challenges and as such, it is important that the Federal Government work closely with the States when considering these challenges and strive towards solutions that will expedite the delivery of services to meet the needs of disaster survivors.

COMMUNITY DISASTER LOANS

Question. The FEMA Community Disaster Loan Program provides vital funding to keep local governments afloat after a disaster has drained their economy by reducing tax revenues and increasing operating costs. This funding supports police and fire protection, trash collection, permitting, zoning, and other municipal functions.

What have each of you heard from communities about the need for a Federal loan for operational expenses?

Do you have a sense for how much communities will rely on this program?

Is the current \$5 million cap an obstacle for use in this disaster?

If the cap is an obstacle, at what level should the cap be set to reasonably support community needs as a result of Hurricane Sandy? Should it be a percentage of a community's budget instead of a dollar amount?

Answer. I am aware that FEMA is working with the impacted communities to process community disaster loan requests; however, we defer to FEMA regarding the specifics of the program.

QUESTIONS SUBMITTED BY SENATOR FRANK R. LAUTENBERG

Question. Both Governor Christie and Governor Cuomo have submitted assessments that reflect the need for mitigation projects like widening and strengthening beaches and dunes.

If we had invested more in Army Corps beach projects in New Jersey before Hurricane Sandy, could we have avoided some of the pain and suffering, as well as costs to taxpayers?

Answer. We are aware that the President has called for investment in our infrastructure and for the establishment of a National Infrastructure Bank; however, we cannot speak to the programs, projects, and activities of the Army Corps.

Question. Some are saying we should wait until FEMA's disaster relief fund runs dry this spring for Congress to appropriate more disaster relief funding.

But other disaster programs already have little or no funding. Those programs include the FTA's Emergency Relief Program, the Economic Development Administration's disaster program, and Community Development Block Grants.

How will the lack of funding for these programs hamper recovery efforts?

Answer. Prior to sequestration, nearly \$11 billion was appropriated to the Public Transportation Emergency Relief program and \$16 billion was appropriated in CDBG-DR funds. This funding as well as the billions in other program funding is critical to the ability of the region to recover and improve resilience for future disasters.

Question. Local governments are often in the best position to understand the most urgent needs for their community after a disaster.

What specific plans does the administration have to provide flexibility to State and local governments that allows them to meet their individual needs?

Answer. HUD has been working directly with States and localities to design action plans that meet their specific needs. Under HUD's CDBG-DR program, grantees may use Federal funds for a variety of disaster recovery activities that include:

- Housing (includes rehabilitation, new construction, buyouts, mold remediation);
- Economic development (includes grants or loans for small businesses for working capital, machinery and equipment, real property repair/improvement);
- Infrastructure (includes repair, reconstruction, new construction, acquisition);
- Public services (up to 15 percent of allocation includes activities such as job training, health services, housing counseling, day care, etc.); and
- Administration (limited to 5 percent by the act).

QUESTIONS SUBMITTED BY SENATOR DANIEL COATS

NATIONAL DISASTER RECOVERY FRAMEWORK

Question. The National Disaster Recovery Framework was released in September 2011. Secretary Donovan, the role the President asked you to take in the coordina-

tion of recovery efforts is not included in the National Disaster Recovery Framework. How does the role fit within the framework?

Answer. The National Disaster Recovery Framework formalized an organizational structure for long-term recovery, under the leadership of Federal disaster recovery coordinators (FDRCs). There are currently FDRCs assigned to New York, New Jersey, and Connecticut.

The FDRCs are responsible for the coordination of the six Recovery Support Functions: Infrastructure, Housing, Economic Development, Natural and Cultural Resources, Health and Social Services, and Community Planning and Capacity Building. The recovery support functions are the structure for problem solving, improving access to resources, and fostering coordination among State and Federal agencies, NGOs, and other stakeholders. Each one is led by a designated Federal agency with programs particularly relevant to that functional area.

The task force works in collaboration with the FDRC/RSF leadership provided through the National Disaster Recovery Framework, providing coordination to support rebuilding objectives and to ensure the Federal Government continues to provide the necessary, appropriate support to the region. Due to the size and regional scope of Sandy's devastation, the task force was established to complement the FDRC/RSF structure, and to focus on the inter-agency, regional, cross-cutting issues.

Question. Secretary Donovan, you have described the National Disaster Recovery Framework as being focused on individual States—not multi-State scenarios. Given that HUD and FEMA were the lead agencies coordinating and writing the National Disaster Recovery Framework, and that it was written with the experiences of the Federal Government during Hurricane Katrina firmly in mind—why doesn't it address a multi-State catastrophic disaster situation? One which may require coordination of infrastructure needs across more than one State?

Answer. This is a difficult balance in part because the Stafford Act creates a relationship between the Federal Government and individual States directly. Much of the statutory authority supporting the NDRF is focused on the Federal/State relationship. However, we know that in large disasters, the damage is rarely confined to one State. In addition, many of the infrastructure systems and assets which create and support resilience have interdependencies and cross State and other political boundaries. The President's Hurricane Sandy Rebuilding Task Force has taken on this issue and is working with the grantees and the Federal agencies to drive regional cooperation and planning across both technical areas and geography.

Question. Last year Hurricane Irene devastated large areas of the northeast United States with severe inland flooding. Why is this storm different? Why didn't the States recovering from Hurricane Irene need a "coordinator" for long-term recovery such as your role for Hurricane Sandy?

Answer. Hurricane Irene made landfall in North Carolina on August 27, 2011, and moved up the east coast affecting 15 States and the District of Columbia. The National Disaster Recovery Framework was released in September 2011; and guidance had not yet been developed to operationalize the NDRF in an actual field operation when Irene made landfall.

However, FEMA did appoint Federal Disaster Recovery Coordinators in Pennsylvania and New York and tested select NDRF fundamentals. This mission, along with other subsequent missions, greatly contributed to the effective development of operational guidance for the NDRF.

FUNDING NEEDS FOR RECOVERY

Question. Secretary Donovan, when will you identify and have cost estimates for the long-term recovery needs of the impacted States?

How will the Federal share of those long-term recovery needs be properly determined?

Answer. Based on data currently available, we are confident in the fiscal year 2013 estimates for Hurricane Sandy submitted by the administration as part of its supplemental request. As with all major disasters, HUD will continue to work with FEMA, SBA and other partners to continue to assess cost estimates and long-term recovery needs.

Question. Secretary Donovan, let me step back to your role as Secretary of Housing and Urban Development, what is the current situation in finding temporary long-term housing for folks still in shelters?

Answer. To assist families who are still struggling to locate housing after being displaced by Hurricane Sandy, the Federal Emergency Management Agency (FEMA) and the U.S. Department of Housing and Urban Development (HUD) have re-instituted the Disaster Housing Assistance Program (DHAP), a rental assistance

program that provides temporary rental payments directly to landlords to help families displaced by disasters. DHAP-Sandy will help families find intermediate housing as they rebuild their lives. This program is funded by FEMA and links disaster survivors with case managers who will help them develop and implement a disaster recovery plan.

The DHAP program was created in 2007 and provided a temporary housing solution to thousands of families who were displaced by Hurricane Katrina. It successfully supported 37,000 families who were not previously HUD-assisted following the 2005 hurricanes—Katrina and Ike. The DHAP program was also utilized to house families displaced by Hurricane Gustav in 2008.

CONCLUSION OF HEARING

Senator LANDRIEU. Again, thank you for your expert testimony. The meeting is recessed.

[Whereupon, at 12:13 p.m., Wednesday, December 5, the hearing was concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]

